

JPRS-NEA-89-038
23 MAY 1989



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JPRS Report

Near East & South Asia

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

DISTRIBUTION STATEMENT A

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19980713 051

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PALESTINIAN AFFAIRS

International Conference, Superpower Cooperation Discussed

44040332B Nicosia FILASTIN AL-THAWRAH in Arabic 5 Mar 89 pp 16-17

[Article by Jawad al-Bashiti]

[Excerpts] Soviet Foreign Minister Eduard Shevardnadze announced in Cairo that it is possible to dispense with the recommendation to form a "preparatory committee" to pave the way for an international conference, suggesting instead discussions between the five major states and a "multilateral and bilateral dialogue" between the parties, especially between Israel and the PLO.

The acumen, skill and prudence of a political negotiator play an indisputable role in determining the final outcome of the negotiating process. Yet, generally no party can ultimately exact from its adversary more than its due, even if its long-range demands, aspirations and goals are fairness itself.

Negotiations, like war, involve the most precise examination of the power possessed by a specific party, in the comprehensive sense of "power." Each party participating in negotiations performs this examination truly and decisively only when the stubbornness and inflexibility of its adversary forces it to leave the negotiating table, because it is then required to practice a certain measure of the "art of coercion." This enables it to return subsequently to the negotiating table, having become able to practice a certain measure of the "art of persuasion." Otherwise, it will find itself compelled to return to negotiations, yielding to its adversary's conditions, and subservient to its stubbornness and inflexibility.

Israel, based on its rousing military achievements in the June 1967 war, and the consequences of that war in all fields, insists—somewhat justifiably—on the principle of direct, bilateral, unconditional negotiations. According to this formulation, it agrees to undertake only this type of negotiation, which guarantees it settlements that tally with the accepted facts of the balance of power between it and the Arabs who are direct parties to the conflict, i.e., which guarantees it the sweeping ability to fulfill its conditions, and to impose its will on its adversaries.

If there was ever a concession made by Israel in this regard, it was its acceptance of U.S. mediation between it and Egypt.

True, the Arabs have attempted more than once since the June 1967 war to change the accepted facts of the military, political, and strategic situation by means of force. However, the result has always strengthened Israel's negotiating hand. Confronted by the failure of the Arab military option, the Arabs have been forced to move gradually toward the peace option, which has

remained incapable of yielding practical results in view of the depth of the chasm between Arab demands and Israeli positions. In keeping with the "peaceful option," the Arabs have pursued a peace with Israel based on a "balance of interests." The Israeli peace option, on the other hand, is based on a "balance of forces."

This concept of peace gave rise to the idea of an "international conference." In time, this originally Soviet idea became an inseparable part of the Arab peace option. It then began to gain international support. At present, it is opposed by only Yitzhaq Shamir, the Israeli prime minister and the leader of the Likud block.

Despite all of the assurances and guarantees, Shamir continues to radically oppose the idea of "an international conference," because he views such a conference as a means to induce Israel to make large concessions, the foremost of which is withdrawal from the West Bank and the Gaza Strip.

But why have the Arabs held onto the idea of an international conference and the limited conception of the role of this conference and its mandates?

The Arabs could abandon this idea. Moreover, the idea of an international peace conference would never have to see the light of day if one of the following three conditions assured:

- Israel's prior commitment to withdraw from the West Bank, Gaza, East Jerusalem, and the Syrian Golan Heights, and to permit the Palestinian people unrestricted self-determination.
- A commitment on the part of the five permanent member-states of the Security Council, including the United States, to pursue the enactment of a comprehensive, lasting settlement of the Arab-Israeli conflict according to the aforementioned basis.
- The attainment by the Arab party of a degree of power which would enable it to impose a solution in the event that direct negotiations reach an impasse.

In the absence of any of these conditions, Arab insistence on the idea of "an international conference" must continue.

Such a conference must be provided with the following two important mandates in order for it to succeed in bridging the chasm between Arab demands and Israeli positions:

1. That every disagreement which cannot be settled by the parties of the conflict be settled through direct negotiations.
2. That everything necessary to guarantee the results of a peaceful and comprehensive settlement be provided. [passage omitted]

Because the new relationship between Moscow and Washington reflects the vital interests of the two parties, what Shevardnadze stated expresses not only a Soviet position, but also a joint Soviet-American position. [passage omitted]

In order to secure a suitable composition for an international conference, it has been suggested that the five major states meet at the foreign minister level to empower an international "troika," composed of the secretary-general of the United Nations, the United States, and the Soviet Union, to supervise direct negotiations between the Arabs and Israelis, provided that this "troika" submit regular reports on the progress of these negotiations to the Security Council.

All of the regional and international parties are approaching the middle of the road at different speeds. A "middle-of-the-road solution" has always been a possible, durable solution. However, emphasis must constantly be placed on the emergence of a joint Soviet-American will to reach a settlement based on "a balance of interests." This is an indispensable condition for Moscow and the Arab side to demonstrate a greater measure of flexibility regarding the subject of an international conference.

Positive Features of Improved Soviet-Israeli Relations Described

44040332A Nicosia FILASTIN AL-THAWRAH in Arabic 5 Mar 89 pp 14-15

[Excerpts] In Cairo, the Soviet Foreign Minister defined three general precepts for a solution to the Middle East problem, whose foundation is a balancing of interests which takes into account that efforts are being made to determine the means and not the criteria of a settlement, and which links Soviet-Israeli relations to Israel's entrance into a dialogue with the PLO.

Palestinian optimism set in with Moscow's undertaking of an active role to find a solution to the Arab-Zionist conflict. It is warranted by the fact that just as Palestinian and Soviet viewpoints concur regarding ways to reach a solution, a parallel concurrence of Israeli and American viewpoints in this regard is also taking shape. If the late Egyptian President, Anwar al-Sadat paved the way for the Camp David accords with his statement to the effect that 99 percent of the cards for a solution are in the hands of the U.S., it can be said that Israel is depending primarily on the USSR to obtain the guarantees needed to safeguard a conclusive solution to the Middle East crisis. In any case, the beginning of an official American-Palestinian dialogue has encouraged a Soviet-Israeli rapprochement. However, Moscow does have its conditions for the renewal of diplomatic relations with Tel Aviv, which were defined in Cairo by Minister Shevardnadze in the following manner: An encouraging phase and the building of bridges of trust can be followed by a specific step in the event that Israel

agrees to enter negotiations with the PLO. Then, diplomatic relations between the two capitals could again be normalized with the start of an international peace conference on the Middle East, in which Israel would participate with the PLO and the other parties to the Middle East conflict, in addition to the five permanent member-states of the Security Council. [passage omitted]

In this respect, it should be noted that there is a Palestinian-Soviet coordination committee, which was formed at the request of Moscow for the purpose of exchanging ideas and information, and arranging political coordination to synchronize the positions of the two parties regarding the Arab-Israeli conflict. Thus, the Palestinian-American rapprochement is being paralleled by a Soviet-Israeli rapprochement, which engenders optimism over the possibility of a meeting between the two poles of the conflict and the superpowers at a certain point. Perhaps Shevardnadze's call for direct and indirect negotiations between the parties to the conflict is a Soviet sanction of the currently existing reality, since Tel Aviv is presently attempting to hold indirect negotiations with the PLO through its meetings with Palestinian personalities from the occupied areas. Likewise, the gains achieved by the Soviet minister's Middle East tour will continue [to be augmented] in his meetings with his American counterpart—and with his Spanish counterpart in the latter's capacity as the current chairman of the ministerial council of the European Economic Group—regarding expediting the desired international conference, which Moscow believes should be held as soon as possible.

DFLP Leader Interviewed on Armed Struggle, Peace Process

44000482 Jerusalem THE JERUSALEM POST in English 18 Apr 89 p 7

[Excerpts from an interview with Nayif Hawatimah, head of the Democratic Front for the Liberation of Palestine [DFLP], published recently by the Lebanese newspaper 'Al-Safir']

[Text] On the "Armed Struggle": For more than 20 years this has been our central course, side by side with diplomatic and public activities.

The action carried out on February 29 to commemorate the anniversary of the founding of the Democratic Front [DF] was supplementary to the uprising in the occupied territories. The day it occurred, there were demonstrations in Palestine and rallies in Lebanon and Syria. These military actions are meant to stress the unity of the struggle for the return, for freedom and independence.

Q. Don't you see a drop in the scope of these actions—compared to what occurred in the 1970s—especially in connection with your organization, which was characterized by highly professional actions?

A. That comment is accurate: some of this is connected to the nature of the struggle in the occupied territories. Since the beginning of the uprising, the Palestinian leadership has adopted a unanimous decision to refrain from carrying out military actions in the West Bank, Jerusalem and Gaza, and to adopt the method of mass confrontation. This decision was based on our desire to avoid a situation in which the occupation authorities would lose their self-control and carry out mass slaughter in the territories.

Another cause is the fact that, at present, most of the Arab states' borders with Israel are sealed off from the Palestinian revolution and from [the ability to carry out] raids against Israel. This contrasts with the situation prevailing in the '70s.

All the decisions of the Palestine National Council [PNC] stress the right of the Palestinian people to continue their armed struggle; and the UN decisions differentiate between a struggle for liberation and independence, and terrorism. The Democratic Front opposes attacks by individuals for show and for ideological motives, because we think only the Palestinian masses can act for the liberation of their land, while individual attacks relegate the masses to the status of passive observers only.

Arafat's declarations of last December 14 about ceasing armed resistance to the enemy reflect only his personal attitude and do not represent the official policy of the PLO. On differences between Arafat and the DFLP: The PLO is a conglomerate of various trends among the Palestinian people, and functions according to an agreed programme to which we are committed. Declarations by this or that person which digress from that programme reflects the individual's views alone and do not commit us.

The DFLP's policy represents a fusing of the political-revolutionary path and the course of military and mass struggle. We agree with Arafat on decisions adopted jointly by PLO organs—i.e., resolutions on the right of return, a Palestinian state, the political declaration and the interim government.

We opposed the Amman agreement at the time, as well as Arafat's subsequent Geneva statement; in our opinion they are not consistent with the PNC decisions.

We support UN Resolutions 242 and 338 as long as they are included in the overall position of granting the right of self-determination to the Palestinian people. However, we resist the U.S. attempt to drag the PLO into recognizing that these UN resolutions must serve as the sole basis for the solution of the Middle East crisis.

On relations with Jordan: We support the establishment of a normal system of relations with all Arab states, as required by the PNC decisions, and this applies to

Jordan as well. We support the convening of a preliminary meeting before the international conference in which Egypt, Syria, Jordan and Lebanon would participate. The PNC has adopted the principle of a Jordanian-Palestinian confederation, but this can only be implemented after the establishment of all the Palestinian institutions on the occupied Palestinian soil and when both nations want it.

We are against attempts of reactionary Western and Arab elements to exert pressure to set up a Jordanian-Palestinian confederation now, because the purpose of such pressure is to resurrect the idea of a joint Jordanian-Palestinian delegation [to peace talks].

Until now, the PLO has rejected all pressures from Britain and the United States on the question of establishing a Jordanian-Palestinian confederation; and the unified leadership of the uprising [in the territories] also agrees only to the establishment of a Palestinian state.

In our view, the minimal solution is the establishment of an independent state for our people and the implementation of the sacred right of return for the people uprooted from their homes.

In 1974, the PLO adopted the Programme of Stages according to which the Israeli occupier must be driven out of the West Bank, Gaza and Jerusalem in the first stage.

We have not defined the frontiers of the Palestinian state because this subject has to be discussed at an effective international peace conference.

The uprising in the territories has proved that our people are determined in their decision to put an end to Israeli occupation.

According to the PNC decisions, we must work—in the first instance—for the right of return and of self-determination, as anchored in UN resolutions, a stand expressed by the joint leadership of the uprising.

On the issue of Palestinians in the Territories Conquered in 1948: A Palestinian state is for the entire Palestinian people. But we are aware of the fact that it cannot contain them all. Such a state would serve as a focus for identification and inspiration for all Palestinians in their struggle to implement their full rights. After its establishment, a new situation would be created: we cannot foresee it exactly, and in any event whatever I say now would be speculation and putting the cart before the horse.

The borders between many countries in the world are changing all the time in conformity with objective conditions, and changes occur in them after international conferences.

The Zionist enemy violated the UN Partition Resolution when he declared the establishment of the State of Israel which controls 77 percent of the territory of Palestine, and not the 54 percent laid down by the UN resolution.

We now are witnessing [Prime Minister] Shamir's declarations of expansion, with him saying Jordan is Palestine and that he will not allow the establishment of a Palestinian state in the West Bank and Gaza.

The status of the Palestinians in Lebanon is a temporary one, imposed on them in 1948; they have taken up arms in order to return to their homeland.

The Palestinian state will manage the affairs of the Palestinians throughout the world, in the framework of the overall solution to the Israeli-Arab conflict being the return of the refugees to their homes according to UN resolutions.

The Democratic Front continues to fight side by side with the Lebanese national forces against the Zionist enemy for the liberation of the Security Zone. We are against any commitment to those not counted among the Lebanese nationalists, such as those attempting to join the Palestinian force in Lebanon to the forces of Michel 'Awn.

On the Palestinian-American Dialogue: We have an interest in the American-Palestinian dialogue and hope to bring about a change in it so that the United States will recognize the PLO as the representative of the Palestinian people.

The U.S.'s imperialist nature will never change despite the possibility that it will revise its tactics because of the pressure generated by the uprising and the international isolation it finds itself encountering because of its unqualified support for the Zionist expansionist programme.

Whatever the results of the PLO-U.S. dialogue, we must continue to struggle for recognition from Washington that the PLO is the sole representative of the Palestinian people and that the United States must agree to the convening of an effective international conference with the participation of the five permanent members of the Security Council and all parties involved in the dispute, including the PLO.

A change in the U.S. attitude depends on the balance of forces in the international arena, with the U.S. failing until now in its attempt to persuade the PLO to end the armed struggle and the uprising.

On direct talks between the PLO and Israel: We stand by the PNC decision rejecting any separate solution outside the framework of an international conference. And when voices are heard in the Palestinian camp calling for such a solution, we say to them that this could cause a split within the Palestinian people.

We oppose any proposal to depart from the PNC resolutions; any such suggestion is doomed to fail. I oppose Arafat's declaration about setting up an economic confederation between Jordan, Lebanon, Palestine and Israel.

In the course of my meetings in Moscow with representatives of the Soviet government, it became clear to me that the USSR continues to regard an effective international conference as the path to a solution of the Middle East crisis and opposes separate accommodations.

The Soviets have proposed that the UN secretary-general appoint a permanent roving ambassador to work on the convening of an international conference.

The consultations with the Soviet foreign minister are designed to create preliminary contacts between two or three permanent members of the UN Security Council with the object of convening an international conference. This is because the U.S. represents the central obstacle to convening such a meeting.

The Soviet foreign minister called for a preliminary conference of representatives of Lebanon, Syria, Palestine, Egypt and Jordan, leading up to an international conference; but Arafat and the Jordanian foreign minister then stated that it was premature to take this step.

The subject of Lebanese representation at such a gathering is an internal Lebanese affair, and it did not come up in detail during my talks with Shevardnadze.

In Moscow, I heard nothing of any proposal to set up a confederation between a Palestinian state and Israel, only that the USSR supports the establishment of an independent Palestinian state.

On setting up a government in exile: We oppose the establishment of a government which would be a substitute for the PLO institutions; however, the PNC's 19th Congress resolved that an interim government—when it is formed—would be subordinated to the PLO's institutions and would function according to that organization's political programme.

As to how such a government would be established, and its composition, discussions were held; but we have not yet achieved a final format.

The problem with an interim government is not the distribution of portfolios but the nature of the body, such as whether it will include personalities from within Palestine and from the PLO leadership, or should comprise representatives of the various groups within the PLO.

We must attract the greatest number of segments within Israel's society who oppose the Israeli occupation of Jerusalem, the West Bank and Gaza, and who support the right of the Palestinian people to a state. This should be done by every national liberation movement in the cause of its people.

There are no factions within the DF, though our foes wish this to occur. The organization is united.

BAHRAIN

Gulf Coordination Urged To Avoid Broadcast Chaos

44000492b Manama GULF DAILY NEWS in English
13 Mar 89 p 15

[Text] The broadcasting airwaves of the Gulf will become chaotic if regional stations do not coordinate their work and act responsibly.

This was spelled out yesterday by Dr Halah al-'Umran, the Assistant Under-Secretary for Television and Heritage, who is due to chair a one-day meeting of the Gulf Vision Engineering Committee which opens in Bahrain tomorrow.

The meeting, at the Regency Hotel, will be attended by Under-Secretaries and Directors from the seven Arab Gulf States.

Interference

Some of them are understood to be asking for hundreds of transmitters, to increase the number of channels.

"The time is right for this meeting because listeners and viewers are already experiencing interference in signals from Gulf stations," said Dr Halah.

She confirmed that there would be even more interference in the summer, when climatic conditions generally increase reception range.

"We think television stations which are spending millions of dollars in transmitter equipment will achieve the same results by coordinating the limited requirement to their basic needs," she said.

Dr Halah said that representatives of the International Frequency Registration Board from Geneva would be attending the meeting, to help "with overall requirements and to satisfy general needs."

"We think some of the applications are far in excess of requirements and unless there is coordination there is going to be chaos in the air in two or three years, and we will revert to the law of the jungle, with the more powerful transmitters interfering with everyone else," she said.

Dr Halah said that "no-one would benefit" in such a situation.

"We should spend our money on programmes rather than on buying numerous transmitters which are only going to repeat the same programmes."

New Stock Exchange for Island Decided

44000492a Manama GULF DAILY NEWS in English
13 Mar 89 p 15

[Text] Manama: Prospects for creating viable capital markets in the Gulf region, including Bahrain's new stock exchange, are "encouraging," according to an island economist.

The GCC [Gulf Corporation Council]'s recent decision to allow Gulf nationals to trade in the shares of any member state was a fillip to the idea of a regional stock market, said Henry 'Azzam, chief economist at Gulf International Bank.

A major expansion in Gulf stock market trading had been seen last year and new exchanges in Bahrain and Oman would be opening soon, said Mr 'Azzam.

But he warned "several obstacles" still faced the creation of viable capital markets and time was not on the side of Gulf states.

To compete on the international scale, local debt and equity markets needed to gain "more depth and versatility," said Mr 'Azzam.

This would involve increasing the supply of shares and debt instruments available for investment and encouraging wider participation in secondary market activities.

"This requires a high degree of expertise among lenders, borrowers and supervisory agencies," he said.

"Capital markets cannot be created or superimposed on the region, they evolve from a need."

"The ability of the countries in the region to adapt to the new economic conditions and Gulf financial institutions to live up to the challenge of new patterns of finance will determine the future shape of Gulf financial markets."

EGYPT

Islamic Council Head Discusses Talks With Jama'at

45040296B London AL-HAWADITH in Arabic
7 Apr 89 pp 50-51

[Interview with Jamal-al-Din Mahmud, general secretary of the High Council for Islamic Affairs, by Usamah 'Ajjaj: "There Are No Essential Disagreements About Rules of Conduct and Religious Observances in Islam"; in Cairo, date not given—first paragraph is AL-HAWADITH introduction]

[Text] As the noble and exalted month of Ramadan suffuses its fragrance, discussion again begins about making the first days of the Arabic months uniform [in

different Arab countries], as an external manifestation unifying one of the important religious observances that Muslims have on which no agreement has yet been reached. AL-HAWADITH discussed this problem in Cairo with Counsellor Jamal-al-Din Mahmud, general secretary of the High Council for Islamic Affairs. Many other issues were also discussed, such as the ongoing dialogue with religious groups, the phenomenon of extremism, and the truth about the book that Counsellor Jamal-al-Din Mahmud has described as "trivial"—we mean Salman Rushdie's "Satanic Verses"—which has created an international uproar and a political crisis between Iran and some Western countries.

[AL-HAWADITH] As the exalted month of Ramadan begins, the problem of the beginning dates of the Arabic months arises. This is one of the Islamic problems that divides Muslims, especially at the time of the fast. Do you believe the problem is an insoluble dilemma?

[Mahmud] I tend to attribute great importance to this problem, which has existed since classical Islamic jurisprudence. There are many ideas about how to have the fast begin and end uniformly [in different Islamic countries]. Many learned and legal studies have appeared. Many conferences have been held and have made recommendations. The problem is that we look at the question from a legalistic, rather than a scientific viewpoint, despite the fact that its solution is within easy reach and would confirm the tendency toward unity in this matter. I believe that the difference in the beginning of the month is a matter entailing no critical consequences. Nonetheless, through Islamic organizations an agreement must be reached regarding this question which embodies the unity of Muslims.

[AL-HAWADITH] Recent times have been marked by intellectual and religious discussions between men of religion from the Ministry of Awqaf and Mufti's office and [members of] Islamic groups in Egypt after their release from prison. The experiment, however, has not had the result of reducing the size of these groups. Does this mean that the experiment of dialogue has failed?

[Mahmud] As a general principle, dialogue is a way of persuasion and mutual understanding in all questions that admit of a multiplicity of opinions and variety of individual interpretations. Dialogue is also an Islamic method that cannot be neglected. Indeed, in my view it is a Koranic method. Many verses of the Noble Koran consist of dialogue between prophets and messengers, on the one hand, and those who called them liars. The Koran frequently cites what the polytheists said and responds to them with cogent arguments. Dialogue is thus in itself an Islamic method that can by no means be neglected. However, such dialogue calls for the presence of certain necessary conditions: first, that it take place for the sake of arriving at the truth alone, and not merely to support one view against another; second, it must take place in a scholarly manner, and the parties must be qualified to participate in it; and third, the result must be

respected by all. The result of the dialogue must be respected even by those who were not persuaded, as long as the majority have been persuaded.

[AL-HAWADITH] But it seems that these dialogues have not yet borne fruit. In particular, the phenomenon [of extremism] has not ceased, as was demonstrated when some of the groups refused to hold an intellectual dialogue with the minister of Awqaf and his excellency, the mufti of Egypt.

[Mahmud] The answer to this question lies in the conditions that I have just mentioned. The goal of some of these people in dialogue is to make their thinking known and attempt to spread it, confirm its strength, and persist in it for purposes other than arriving at the truth. In addition, the dialogue is not scholarly and sincere, nor even cultured. Instead, the religious viewpoint and the political viewpoint become confused, which is one of the worst flaws there can be in a dialogue having a scholarly or cultural content. This is the fundamental reason for what appears to be a failure of the method of dialogue. We, therefore, need a clarification of dialogue itself. Take as an example the discussions in scholarly centers or even between authors in books that discuss problems of comparative religion. These have long been common in an outwardly scholarly or objective form, and the reply takes place in the same form. The truth has, therefore, prevailed. This is the reason why knowledge of Islam has become greater and closer to the truth in this age.

[AL-HAWADITH] In the end, dialogue opens the issue of the extremism from which the Arab states are suffering. In particular, there is a difference in how people regard it. Some indicate that the reason can be attributed to external factors. Others point to economic, social, and political factors.

[Mahmud] The phenomenon of extremism on the Islamic scene and throughout the Islamic homeland does not represent only religious extremism. Intellectual and religious differences are among its causes, but other factors—political, social, and economic—also nourish it. One notices, too, that the main issues in extremism are specifically political ones: the problem of governance and the powers that political systems enjoy, and the role of nations or individuals. There are almost no disagreements on the questions and rules of Islamic law that apply. For example, problems of governance, the means of reform in society, and certain social phenomena in the Islamic homeland represent the most important issues of extremism. As for the rules dealing with conduct and religious observances, there are no fundamental differences. This indicates that the problem basically is not religious extremism. I believe the problem goes back to the fact that many countries of the Islamic world embarked upon various political and social experiments in recent decades of this century. The result of these experiments did not encourage their continuation or inspire confidence in their results. On the other hand,

visibility was not granted to the Islamic experiment or Islamic application. For this reason, the terms "Islamic solution" and "Islamic application" were invented. This means that the problem is not intellectual in basis, but lies first and foremost in the problem of the reform process. As for how to avoid what can be called religious extremism, which in reality is intellectual extremism that turns into political violence either because of circumstances or sometimes deliberately, treatment of it requires concerted efforts for reform, whether this be religious, cultural, economic, or political reform. The psychologically stable young person cannot be vulnerable to extremism. When he finds an opportunity to participate fully in society, with work, a home, founding a family, and confidence in the future, he will not expose himself to harm or violence. But there are tens of thousands of young people who are undoubtedly interested in their own future and ability to participate in the affairs of their country: when they lose hope, and when there is fear of the future, they have no resistance to any call to violence, as long as its outward purpose is social reform. No cover with which to cloak any political, social, or economic goal is dearer, more honored, and closer to hearts than religion.

[AL-HAWADITH] The "Satanic Verses" affair has raised an international outcry that has developed into a political problem that the enemies of Islam have exploited to defame Islam and cast doubt upon freedom of opinion in Islam. How do you see this issue?

[Mahmud] This book is not a book of comparative religion, not about the life of the Prophet, and not a study of any of the branches of Islam. It confuses imagination and reality. It intentionally insults things sacred to Muslims. It is an insult that attains to the degree of vilification and defamation. It deserves a scholarly response. There are outrageous errors in the book. For example, he says that people in their tents before Islam used to smoke [hashish], while hashish only became known in the 7th Islamic century. The book gleans fragments of material mentioned in books of the classical heritage—the weakest fragments in terms of documentation and reliability—and imagines events based on them. I think the novel is just a venture to gain money and fame. Muslims throughout the world can be completely excused for their fury. European countries restrict freedom of expression when it relates to their political, security, and economic interests; but when it comes to religions, the Western world now considers them insignificant. Religious beliefs, symbols, and sacred things, therefore, become fair game for every exploitation of freedom of expression by adventurers and swindlers like Salman Rushdie. The issue is not freedom of opinion and expression, which is something that was known in Islam in worldly matters before Europe knew freedom of expression. The sum of the matter is that we care very strongly about our beliefs and sacred things. We accept scholarly and objective debate

about them. We maintain decorum of expression concerning all revealed religions, but we do not accept assault, slander, and insolence against Islam and its noble prophet.

[AL-HAWADITH] But it seems that Iran's position and its call for killing Salman Rushdie were behind this vicious attack on Islam by the West.

[Mahmud] One must bear in mind that Iran's position is more an expression of wrath than an expression of the correct application of Islam. As regards Salman Rushdie, duty calls for trying him on a charge of apostasy and also on the charge of waging war against God and His Prophet by publishing his book among Muslims and others. However, he must be tried first. That is what Islamic principles require. Furthermore, killing him without trial may entail political damage to the Islamic world. Certainly, avoiding damages comes before attaining benefits, according to the maxim of Islamic law. International law now does not allow incitement to kill a citizen in another country, whatever the situation of that citizen may be and whatever the triviality of his composition.

[AL-HAWADITH] This recent attack raises the issue of cooperation between the many institutions working in the Islamic field. What relations link the High Council for Islamic Affairs with other institutions?

[Mahmud] The High Council for Islamic Affairs has relations with both governmental and popular Islamic groupings. The second kind, concerned with peoples, especially interests us, because one of the council's goals is to establish and strengthen relations with the peoples of the Islamic world. Islamic missionary activity must to a great extent have a popular character. We have relations with all the organizations working in the Islamic field. Among the most important of these are the World Islamic League (Saudi Arabia) and the Call Organization (Sudan). We also have relations with most of the Islamic centers abroad. We work to supply them with whatever cultural assistance they request, such as libraries, and to provide an opportunity for Muslim youth to study in Egypt at council expense. There is a continuous exchange of opinion and joint activity between us, the league, and Imam Muhammad ibn Sa'ud University. The most obvious examples of this are the exchange of information on Islamic events and participation in symposia and conferences that these bodies organize.

Islamicists Protest Un-Islamic Nature, 'Mistakes' of Textbooks

45040300B Cairo AL-NUR in Arabic 5 Apr 89 p 3

[Article by Salam 'Abdu: "Textbooks of Revised Curriculum Falsify the Islamic Mind, Distort Our Children's Proper Religious Understanding"]

[Excerpts] [Passage omitted] Shaykh Yusuf al-Badri, active in the education field and an Islamic Alliance member of the People's Assembly, says, "While we are

pleased by the minister of education's desire to improve education and by his laying down for it an ideology, theories, and a policy, and the rest of what he espoused in his noted conference at Cairo University, 'A Nation With a Future,' the new books are full of things that falsify and distort the mentality of pupils and students from elementary school through higher studies."

Word-for-Word Copying

"Subjects have come to be copied word for word from the West. Education has begun playing down issues of religion and piety in such a way that the word 'Islam' has become a word of shame that the curriculum must rid itself of forever.

"An example of this is what the Curriculum Development Committee recently did. It suppressed every word derived from 'Islam' in the curriculum and replaced it with a word derived from 'religion.' For example, instead of 'I am a Muslim,' one says, 'I am religious.' Every song containing the word 'Islam' has been completely suppressed.

"Also suppressed are all Koranic verses that speak of God according to the correct conception with which Muslims are acquainted."

Continuing his survey of what has happened to school curricula recently and the distortions with which the books are packed, Shaykh Yusuf al-Badri says, "The disaster is that the other books are overflowing with things that contradict Islam and falsify the character of Muslims. Look at the English and French foreign language texts. They are full of scandalous things. They implant values in the minds of pupils; but these values—the least that can be said about them is that they contradict the teachings of Islam. Dogs and pigs are constant elements in stories to teach the two languages. Thus the learner finds himself sympathizing with these two animals in particular, while God, in the Koran uses them as examples of what is very bad, categorically forbidding one of them because it is disgustingly filthy."

Shaykh Yusuf al-Badri goes on to review the distortions in the natural history and biology textbook for high school. To begin, the book never acknowledges the existence of God. Everything it says has to do with nature. Nature has supplied beings with food; nature has made beings adapt to their climate. There is never any mention of God.

Scandalous Misrepresentations

Amazingly, the book contains theories whose error has been proven, such as Darwin's theory and man's relation to the ape. The book presents the theory not as intellectual history, but as a theory still standing.

Pointing to another book, the history text for the first year of high school, Shaykh Yusuf al-Badri uncovers the scandalous misrepresentations in it. On page 138 of the book, there is blatant defamation of Solomon, peace be upon him, of whom God said [Koran 38:30], "How excellent a servant he was! He was a penitent." Among the things the book mentions is the following: "During the reign of David, Judaism was made the official religion. David was succeeded by his son, Solomon, but the latter's extravagant expenditures were among the reasons that led to the corruption of the monarchy, which had a period of decline."

On page 150 of the same book, there is another misrepresentation. The book says: "There appeared the sect of priests and learned men who promulgated the Mosaic law that God had revealed to Moses. Their aim was to support Yahweh as His defenders, but in reality they invented a new unified religion, focused on a supreme god who encompassed the universe. Among the best known of these men were Amos, Isaiah, and Jeremiah."

On page 200 of the previous book: "Khusraw II led his army to Iraq and Syria, captured and plundered Jerusalem, and took the True Cross from it."

So there was a true cross on which Christ was crucified, and another, unauthentic cross.

The second-year high school history book contains insolence against Islamic history and the companions of the Prophet, may God bless him and grant him peace.

On page 56 of the book: "The problem of choosing a successor of the Messenger of God, may God bless him and grant him peace, ended with the victory of the emigrants and the installation of Abu Bakr, relying on the support of tribal solidarity."

Such language occurs frequently—as if Abu Bakr were the president of a republic on the borders of France or in Ireland!

The third-year high school philosophy text deals with the concept of freedom as if it meant freeing oneself from all restrictions. Incorporating psychology into philosophy, it explains that the components of the free personality make the adolescent boy have an inclination toward the female, and the adolescent girl an inclination toward the male!

Shaykh Yusuf al-Badri adds, "Doubtlessly, if you were to go through all the books, you would find many cleverly introduced errors, so that the features of our true religion disappear."

Message for the Minister of Education

Shaykh Yusuf al-Badri addresses the following message to the minister of education: "Muslims have the duty to call [to Islam], because of what God Almighty has said

[Koran 16:125]: 'Call thou to the way of thy Lord with wisdom and good admonition, and dispute with them in the better way.' Calling with wisdom and good admonition and disputation in the better way will take place only by putting Koranic texts in the readers on which pupils are tested. Instead of being ashamed to carry out the Lord's commandments and purging exquisite things to carry out the demands of the West, we should purge the materials, some of which we have indicated, from the stains of ignorance, polytheism, idolatry, and atheism. That would be better and more useful.

"I ask Dr Ahmad Fathi Surur, minister of education, to realize that his religion is most enduring, and that the world is transitory. Today is work and no accounting; tomorrow is an accounting and no work. Men pass on; time is change. Tomorrow comes the court of history; and history has mercy only on that toward which the Lord shows mercy." [passage omitted]

Muhammad Badawi, director of Arabic language and Islamic education, comments as follows on the influence of the recent changes in the school curriculum and the sweeping away of everything Islamic, so that the Islamic stamp on education has become completely lacking: "We are a nation that has tried copying from the communist East and the Christian West and in both cases reaped nothing but gall and bitterness. Perhaps the nation's backwardness goes back to attempts by the Westernizing generation to impose on the nation subservience to East or West and try to ignore its personality, creed, and authentic nature.

"We thought we had moved beyond this stage and that people who travel against the current would gain nothing, but the recent attempts in the field of education have raised many question marks.

"How is it that you suppress topics that kindle the spirit of heroism, holy war, and sacrifice in the nation—Salah-al-Din al-Ayyubi, for example? How is it that you suppress certain Koranic verses from textbooks merely because they mention the Jews or speak of the Christians?

"Those who are doing this think they will satisfy the nation's historic enemies. But God spoke the truth, when He said [Koran 5:51]: 'Who of you makes them his friends is one of them.'"

Muhammad Badawi adds, "This nation does not thrive unless it builds its generations on a foundation consisting of its creed, its history, the Book of its Lord, and the Sunnah of its Messenger (may God bless him and grant him peace). If education turns its back on this aim, it performs a destructive role. We know that the government pays for education out of taxpayers' money; so education should not conflict with the nation's creed, personality, and history.

"What I fear most is that this may be the beginning of an attempt to tame the Muslim mind and render it submissive to attempts at American-Zionist hegemony in Egypt. This is something that cannot come to pass easily without its being noticed by the zealots of this nation. 'They devise, and God devises; and God is the best of devisers' [Koran 8:30]." [passage omitted]

[According to Dr Mustafa al-Shak'ah, former dean of the Faculty of Letters, 'Ayn Shams University:] If anyone objects that a percentage of the Egyptian people do not hold the religion of Islam, the answer is simple and logical: Many non-Muslim Egyptians of their own accord undertake the memorization of the Koran to improve their language and form their souls. Many of their greatest men have done so, foremost among them Marcus Pasha Hanna, Tawfiq Pasha Dus, and Makram Pasha 'Ubayd. Indeed, many priests memorize verses from the Noble Koran, even if they do not memorize entire long suras.

Investment Authority Reports 1988 Project Figures

45040300A London AL-HAWADITH in Arabic
7 Apr 89 p 42

[Text] Dr Muhyi-al-Din al-Gharib, vice president of the Egyptian Investment Authority, said that 99 investment projects had been approved during 1988. He mentioned that these projects had a total capital of 735 million pounds and investment outlays of 1.254 billion pounds.

He indicated that there were 37 industrial projects, 22 financing projects, 7 agricultural projects, 2 construction projects, and 19 service projects, besides 12 projects under the system of free zones. He mentioned that these projects were providing 8,000 jobs for Egyptians, with salaries of about 35 million pounds a year.

In this regard, al-Gharib said that the final number of projects approved as of the end of 1988 and since the investment law came into effect was 1,651, with capital amounting to 8.3 million pounds.

Contributions by Egyptian investors occupy the first place (64 percent) in the capital of these projects. Contributions by Arab investors represent 19 percent. Contributions by foreigner investors occupy third place (17 percent).

The Investment Authority vice president said that current investment policy in Egypt is moving toward eliminating all obstacles confronting investors. This is being done in the context of full coordination between various decrees and sections, so that they will finally appear in a form that will give incentive for investment.

Financiers Discuss Banking Policies

Future Impact

45040297 Cairo ROSE AL-YUSUF in Arabic
27 Mar 89 pp 34-35, 36

[Article: "Banking Leaders Discuss Future of Monetary and Credit Policies in Egypt"]

[Excerpts] The banking sector is deemed to be the mainstay of modern economic systems because of its prominent and important role in promoting economic development, especially in developing countries. The sector does this through its ability to mobilize a society's resources with the aim of backing all sectors of that society's economic activity through effective means of creating credit and providing financial and monetary transactions.

The banking sector is now passing through an important phase aimed at the restoration of saver and investor confidence, particularly after the investment [companies] incident and the biased attacks to which our national banks are being subjected. On the pages of ROSE AL-YUSUF, we meet with some leaders of banking activity in Egypt. They talk about the future of monetary and credit policies in Egypt. What are they planning, and what do they seek?

To begin, Fathallah Rif'at, chairman of the board of directors of the Egyptian National Bank and chairman of the Economic Committee of the People's Assembly, says, "In economic operations there are structural factors and auxiliary factors. Funds and deposits must flow in legitimate channels. This makes it necessary for banks to change their monetary and credit policy from time to time in order to confront the conditions of each period. The financial market has been able to meet about 70 percent of import requests and of the volume of investment and trade."

Fathallah Rif'at states that the ideal situation for the establishment of projects is a 1:1 ratio between the project's capital and loans. Possibly, the ratio can be 1:2, with the loan completing buildings or equipment or the start-up of other production procedures. [passage omitted]

Strengthening the Financial Market

Dr Ahmad Abu-Isma'il, chairman of the board of the Cairo-Far East Bank, says that the ordinary individual must be made to feel that the banking system is the safest means of investing his money. Naturally, it will take some time for matters to straighten out. Confidence must be instilled in Egyptians at home and those working overseas. The foundation for this is strengthening the financial market where shares are sold and bought, as

well as the banks, so that shares will be strong and increase continually. This will lead to stability in obtaining income and an increase in the value of the security. [passage omitted]

Investment Companies Must Not Be Confused With Banks

Dr Ahmad Zandu, governor of Faysal Egyptian Islamic Bank says, "There is a clear difference between investment companies and Egyptian banks. These companies have their own circumstances and are not banks in the real sense of the term.

"As for Egyptian banks, all are subject to the statute of the Central Bank and its supervision and surveillance. Furthermore, they are units active in their operating fields under constant surveillance by the Central Bank. As for the banks, I stress that there is no fear concerning deposits. There is no fear of inadequacy in credit or in financing projects. There is no fear concerning the regularity of their operations over the course of time." [passage omitted]

"We find that the measures the government has taken to protect depositors' funds are completely sound. I am convinced that there is absolutely no fear. Nor is there any fear for the money of depositors in investment companies as a result of the measures the government has followed, since these measures were implemented basically on behalf of the depositors and for the benefit of the Egyptian economy. Naturally, depositors' funds will find their way into the banks. All these banks will receive these funds, so that they will be amalgamated into the accumulated deposits of these banks—deposits which are channeled in accordance with the government's national plan for the Egyptian economy. All this takes place under the supervision of Egyptian financial and banking authorities in accordance with the laws in force."

Providing a Variety of Savings Methods

Counsellor 'Adil 'Abd-al-Baqi, president of the Egyptian Real Estate Bank, says, "The banking system, with its commercial, investment, and specialized banks, has far-reaching importance because of the role it can play in directing the national economy and providing momentum for economic and social growth. It grants credits only after thorough economic study demonstrating the project's consistency with the goals of the development plan and the effectiveness of the loan in developing the project in accordance with the project's real needs. The banks constantly monitor financed projects to make sure that credit facilities are used for what they were earmarked. They provide advice to those in charge of the project in accordance with successive economic changes."

Counsellor 'Adil 'Abd-al-Baqi stated that the banking sector, as the authorized and safe channel for the national economy, works earnestly to encourage the accumulation of savings in local and foreign currencies. This leads to absorption of excess purchasing power from the market and to lowering the amount and rate of inflation. At the same time, these savings are directed toward the production process. This is done through the various savings methods that banks provide and that yield a guaranteed periodic return satisfying the demands of Egyptian savers. In addition to a fixed yield on the sum saved, the banks have provided—as a way to attract more savings—periodic opportunities and drawings with valuable incentives.

This system is increasingly popular with citizens, especially young Egyptians working overseas. It realizes their hopes for apartment ownership with a maximum of safety and security. On the other hand, this system aims at encouraging and developing a consciousness in Egyptians at home and abroad for saving through legitimate channels. [passage omitted]

Making Investment Procedures Easier

Mr Fu'ad al-Habashi, chairman of the board and deputized member for the Alexandria-Kuwait International Bank, states that attracting the savings of overseas Egyptians is a large, basic, and continual aim of the government and the banks. This is especially true now, after the experience of the investment companies has demonstrated that Egyptians, particularly those overseas, have enormous savings. There are many ways to attract savings. Similar experiments have already been made by a number of developing countries whose public development plans require hard currencies. Such means include issuing hard-currency savings certificates with especially favorable interest. Savers can be given credit facilities and priorities in building and investment projects. They can be given carefully considered tax exemptions. In addition, banking and investment procedures can be made easier, and excessive bureaucratic routine can be alleviated.

Mr Fu'ad al-Habashi pointed out that the role of banks generally in stimulating investment in Egypt has been the subject of interest and special study by the banks. The latter are aware of their role and want to broaden the financial market open to them by adding more projects and activities. [passage omitted]

Unconventional Role for Banks

Muhammad 'Aziz Sidqi, director general of Middle East Bank, Ltd., stresses that the role the banking system can play in the coming period must be an unconventional one, in the following sense:

1. Through organized combines, such as the Federation of Banks, banks must go out to meet investors and overseas Egyptian communities. They must address

these groups with a new language and explain to them the advantages of investing in Egypt, particularly after passage of the Unified Investment Law and its implementation schedule.

2. The concept of attracting investment should be altered. Banks, with assistance from governments (as represented in their executive apparatus and investment authority), should prepare and submit project lists and feasibility studies covering various kinds of investment, particularly fields where investments yield an acceptable return compared with international rates. There should be follow-up of the implementation of these projects on a scientific and carefully thought-out basis to insure the best use of available economic resources.

3. Interest rates on deposits should be stimulated and raised, taking into account the domestic inflation rate. This stimulation will lead to the attraction of a large amount of money that individuals previously kept outside savings containers and bank channels. This will occur on the domestic level. On the foreign level, the volume of foreign remittances will increase, especially from the Arab world.

4. There should be meetings with representatives of Arab banks, especially banks represented in the Arab Cooperation Council agreement, to encourage joint economic projects. Such projects must enjoy a high level of study, so as to insure the success of this great experiment in unity for the benefit of all these countries.

Banque Misr Role

45040297 Cairo *ROSE AL-YUSUF* in Arabic
27 Mar 89 p 35

[Article: "Banque Misr's Pioneering Role in Developing the Egyptian Economy"]

[Text] The banking philosophy that Banque Misr embraced at its birth was based on the bank's assuming a positive role in establishing industries and supporting the movement of economic advancement in Egypt. The bank was and still is a symbol of nationalism in its political, economic, and social dimensions. Not only was it the first national bank in Egypt at the time of its birth, it was also the first national bank in the Arab region, Africa, and the Third World. Because of the bank's distinguished role in economic development in Egypt, its development and economic history became an prominent milestone in Egypt's economic development.

Banque Misr and Accumulation of National Savings

Banque Misr strives to strengthen savings consciousness among citizens and increase national savings. It originated domestic- and foreign-currency savings containers suitable for every income and individual. This enabled the bank to increase its deposits, until they amounted to 10.461 billion pounds on 30 June 1988. The bank

provides its customers with nine kinds of savings container. Some of these enjoy payment of interest and income in periodic withdrawal; some pay monthly, semi-annual, and annual interest. The minimum for deposits begins at 1 pound in local-currency savings passbooks. Saving certificates begin at a minimum of 50 pounds for 3-year savings certificates.

Banque Misr's Investment Activity

Banque Misr continues its vanguard role in the field of establishing and funding projects to promote development and provide basic necessities of food, clothing, housing, and services. In selecting these projects, the bank takes care that they conform to the 5-year economic plans the government sets for achieving high economic and social growth rates. The goal is to decrease imports and increase exports in order to remedy the trade imbalance and make the slogan, "made in Egypt," a reality.

In selecting its projects, the bank relies on detailed feasibility studies that give sound indications of productivity and profitability. For this, it calls upon the assistance of its specialized experts and its technical departments, which have the wide-ranging experience that has become available to the bank in the course of its long history. Between 1974 and the present, the bank founded or shared in founding 49 companies, with total capital of 1.208 billion pounds, [and] \$255 million. Banque Misr's share represents about 26 percent of their total capital.

The bank's role is not limited to establishing and funding projects. It is particularly concerned with following up these projects periodically and giving their management advice and counsel in order to correct deficiencies and bring the projects to the goal for which they were established.

The bank's contribution to the national product through added value was 925.6 million pounds on 30 June 1988, with a growth rate of 21.5 percent.

Banque Misr and Modernization of Banking Services

The bank's performance has been marked by continued development through the introduction of the most modern international systems for better and faster banking services, as has been perceived by all customers of the bank. In 1980, the bank established one of the largest computer systems in the Middle East. Its presence has been reflected in the speed of service. A Banque Misr customer can now present a check and withdraw his money in a few minutes from a single window.

Among the outstanding services that Banque Misr has now introduced in some of its branches are self-service banks, or what is called "Misr Card." This enables the customer to withdraw, deposit, and order a checkbook or his balance mechanically, without asking the assistance of employees, and at any time of the day or night.

Housing Bank Chairman's View

45040297 Cairo *ROSE AL-YUSUF in Arabic*
27 Mar 89 p 37

[Article: "The Banking System Is Well!"]

[Text] Concerning the aims behind the organized campaign to cast doubt upon the ability of Egyptian banks, Mahmud Nabih al-Minshawi, chairman of the board of the Housing and Development Bank, says:

"The banking system is considered the fundamental support on the development map in Egypt because of the addition it makes to various economic activities by its funding of all sorts of projects in various economic and social fields, thereby realizing the goals of the national plan. It has therefore been clear from the beginning that this campaign aims basically at shaking confidence in certain facets of the national economy by withdrawing deposits from banks over a very short period, thereby shaking the banking system, the nerve of the national economy, through which various projects derive their financial needs for growth and prosperity.

"This campaign has targeted overseas workers, alleging that some Egyptian banks are in a state of financial difficulty and are unable to repay the funds of their depositors. This is something that has never happened, thank God! So the campaign was dead and buried the day it was born, and these citizens have learned the facts behind that campaign.

"It is a matter for amazement that doubts should be cast on the ability of Egyptian banks. Regulations on lending transactions are set by the Central Bank to protect every bank, so that it is at no time subject to failure. In addition, the Egyptian Central Bank is by law the supervisor and monitor of bank activity. It is the protective shield for depositors, on the basis of regulations and resolutions that control the use of deposits. The financial failure of any bank, now or in the future, is something that absolutely will not take place, given the rules that the Central Bank sets and that must be respected by all banks.

"The ability of Egyptian banks to fulfil their obligations is confirmed by the fact that total deposits in the banking system as of December 1988 amounted to about 44 billion pounds, 21 billion pounds of which were in foreign currencies. This indicates the confidence that depositors have in Egyptian banks, which number about 100.

"So I say to all depositors at home and abroad that the Egyptian economy is well and that Egyptian banks are committed. They are constantly directing their attention to investing money for development—each bank in the circle of its activity—while at the same time directing their attention to protecting the funds of depositors and carrying out their demands at any time.

"In short, the banking system is well, and I must testify to the efficiency of its performance and the patriotism of those in charge of it."

Investment Authority Deputy Details New Investment Law
45404296A London AL-TADAMUN in Arabic
3 Apr 89 pp 29-31

[Article by 'Abdallah Hammudah: "New Law Reorganizes Household To Facilitate Task of Arab Investors"]

[Excerpt] [Passage omitted] Dr Muhyi-al-Din al-Gharib, vice president of the Egyptian Investment Authority, agrees with what the investors say that private-sector abuses are limited, no more than 1 or 2 percent. There are good examples of businessmen, different from the "suitcase businessmen" and pursuers of quick profit. The Investment Authority vice president praises projects that rely on building up fixed assets and create added value in the national economy. There are many outstanding examples of serious businessmen who went out to the new cities, while the latter were merely signposts on the desert sand, and built factories to satisfy the needs of local production and for export to foreign markets. Among them are men like Muhammad 'Ali Khamis, chairman of the board of Eastern Weavers Company, Khamis al-Halbawi, owner of al-Halbawi Mills, which produce jeans, and Dr Louis Bisharah, owner of mills that produce men's ready-made clothing. There are many people like them in the sectors of industry, land reclamation, and agricultural projects.

New Investment Law

The Investment Authority is busy at present preparing a draft unified investment law. The Egyptian Council of Ministers is studying the final draft before bringing it up for debate in the People's Assembly. The new law deals with the question of reorganizing the investment household in preparation for a new phase of production activity.

Dr al-Gharib says, "The new law corrects various deficiencies in the old laws that emerged in the course of actual practice over the past years. It gathers everything into a single law, formulated clearly, so as to avoid administrative interpretations and ministerial decrees that attempt to establish implementation measures, but mostly produce problems and complications."

The Investment Authority deputy vice president states that the new law provides all guarantees for projects and for funds invested in them, so as to reassure those working in them. The law unifies the agency with which the investor deals (the Investment Authority). The authority is fully responsible before the investor and represents him in dealing with all specialized government agencies to obtain permits needed for building,

administering, and operating projects in accordance with current laws, allocating land needed for projects, and concluding contracts related to this.

Additionally, the new law insures that the government will not intervene to set a profit ratio for the products of investment projects. Product pricing will be left to market forces of supply and demand, as long as projects have not used government-supported raw materials. Special incentives will be given to joint-stock issues to increase the capital of faltering projects, so as to reform their financing structure. Investment in productive expansions of existing projects will be exempted from taxes, as if these were new projects. Profits distributed by these projects will enjoy income-tax exemptions within certain percentage limits, even after the end of the exemption period set for the project.

The investment law deals with issues of exporting and importing. It exempts investment projects from all measures and removes obstacles that stand in their way. It solves problems that the free zones have in their dealing with government agencies. It encourages the establishment of industrial zones in various parts of the country.

The law does not neglect the housing problem. It establishes rules for exemptions to be enjoyed by middle-income and popular housing projects that earmark their units for rental unfurnished.

The new investment law provides the Investment Authority with the requisite powers, so that all government executive agencies will be obligated to carry out decisions emanating from the authority's administrative board.

At the same time, the new law grants the Arab investor new advantages and encourages him to invest in new cities, industrial complexes, and desert land reclamation. Thus it lifts from the government's shoulders the responsibilities it was bearing in this area, while yielding to the investor sufficient profits to make investment economically attractive.

The authority has decided to make investment procedures easier for the investor. Formerly, the authority used to demand that the investor at the beginning submit a feasibility study and funding declarations in order for it to decide whether to approve the project. Now it issues its preliminary approval on the basis of an information form that the investor fills out. After obtaining this approval, the investor prepares the feasibility study and arranges the necessary funding, so that final approval can be issued and the necessary land allocated for the project. The authority asks government agencies to cooperate in facilitating the establishment of the project and in guaranteeing it the exemptions it needs.

Helpful Circumstances

Dr Muhyi-al-Din al-Gharib indicated the need for the presence of helpful circumstances that contribute to creating an investment climate, such as stimulating the money market and granting advantages to companies founded by public subscription. Most presently existing joint-stock companies are closed corporations. What is wanted are corporations with open subscription for no less than 40 percent of their capital. Dr al-Gharib thinks this will lead to stimulation of the money market and to the creation of a new container for investment.

Dr al-Gharib thinks that these open corporations must be holding companies that own several enterprises in different economic sectors, such as industry, agriculture, and tourism. Thus the risk will be spread out, and probabilities for realizing profits for shareholders will increase. Furthermore, the economy needs companies of large size, so that they will have the ability and confidence to deal with major foreign companies as equals.

In response to a question about investment companies, most of which have recently failed, and about whether they had played the role of holding companies, Dr al-Gharib said, "The investment companies were companies of individual persons. They had no relationship to the investment laws. Although they were holding companies, they did not have the right to gather funds, nor did the law grant them the right to receive deposits. These are matters that are the province of banks and that the investment laws forbid. If those companies wanted to increase their capital, they should have obtained it from the funds of the partners themselves, not from others' funds. They were operating like banks, but without a legal banking license."

The Investment Authority vice president commented on what has become known in Egypt as the "banking crisis," in reference to the Islamic banks. He said that it was a fabricated crisis, traceable to a wave of creating fear about depositing and dealing with the Islamic banks. He explained that the successful record and legal position of these banks would return them to their previous position. However, he pointed out another side of the banking crisis, related to terms set by the IMF. These terms imposed restrictions on the credit that banks can advance to projects, which is not to exceed 65 percent of their total deposits. This, in addition to the inability of these banks to provide funding for successful or economically feasible projects, is hindering the development process. This restriction creates a deficit problem, since banks are required to pay interest on deposits they accumulate but cannot invest. This leads to an increase in the interest rate on the other credit facilities that they provide (within the 65 percent), and this fetters civil projects with financial burdens that prevent their success and contribute to increasing the inflation rate.

Record of 15 Years

Finally, despite the difficulties and obstacles the Investment Authority has faced over a period of 15 years, it has successfully approved a large number of projects—1,651 of them, with total investments of about 15.065 billion Egyptian pounds. Projects approved in 1988 alone employ 187,660 Egyptians and 1,579 foreigners.

Dr Muhyi-al-Din al-Gharib thinks that the experience of the 15 years and the successes that have been achieved, in addition to the development that has grown up on the Arab scene with the founding of the Arab Cooperation Council, open the way for the Investment Authority to welcome Arab and foreign investors and encourage them to participate in Egyptian projects that will serve the Arab goals of integration and unity and also to establish joint projects in more than one Arab country as an additional step toward this goal.

Security Breaks Into Meeting, Arrests Zaqaqi Secretary

45000149 Cairo AL-SHA'B in Arabic 2 May 89 p 1

[Text] The Monday before last, Central Security cars surrounded the Socialist Labor Party headquarters in Zaqaqi and arrested the secretary of the al-Sharqiyah branch during his attendance at the party's branch meeting chaired by Ibrahim Shukri, party president and opposition leader.

The security forces burst into the headquarters, arrested the branch secretary, and tried to seize two other members under the pretext of protecting the party from its factionalists and separatists. At the same time that a security officer left the vandals rejoicing in the party headquarters, he even urged the separatist member Ibrahim 'Ayyadah to enter the party headquarters and break up the meeting.

The police also invited a representative of the prosecutor's office to interrogate the branch secretary inside the office of the First Precinct superintendent. This confused the prosecutor's office representative, who asked, "Has the regime been overthrown?"

The prosecutor's office dropped the charges against Farid Jawish the next day after he presented evidence of the party's membership and documents expelling the factionalist members.

New Budget Increases Health Care Costs

45000148 Cairo AL-AHALI in Arabic 19 Apr 89 p 1

[Text] The Ministry of Health has decided to apply a new health care policy as of 1 July, "the beginning of the new budget." [quotation marks as published]

The new policy stipulates changing 80 percent of free care in public and health insurance hospitals and in other health care institutions into fee-based care.

In accordance with the new policy, 30 percent of care will be changed to reduced-cost care and 50 percent to half-cost care, leaving a balance of 20 percent free care.

The Ministry of Health has prepared a special cost schedule of "bed" [quotation marks as published] fees for patients: 1 pound per day for reduced-cost care, operating room fees of 20 pounds, minor surgery for 25 pounds, and major surgery for between 50 and 250 pounds. However, the patient bears the cost of all medication and equipment.

As for half-cost care, payments vary from 10 to 20 pounds for hospital bed accommodations, according to the quality of the hospital and type of service. However, this multiplies the cost of care and surgical procedures.

Intensive care, recovery room, and treatment costs have been set at 50 pounds per day in accordance with the cost schedule prepared by the Ministry of Health.

IRAQ

Mayor of Al-Basrah on Reconstruction Efforts 44040300 Kuwait AL-SIYASAH in Arabic 6 Feb 89 p 10

[Report on interview with al-Basrah Mayor Anwar al-Hadithi by Mustafa Abu-Lubdah: "AL-SIYASAH Draws Out First Full Numerical Projections for Iraqi Construction Program"; date and place of interview not given]

[Text] It was 1000 hours when the al-Basrah governor, Mr Anwar al-Hadithi, gave the signal to al-Tanumah residents to return to their homes following the troop withdrawal. This was Tuesday, 17 January, amid a dramatic celebration in which words of pride were mixed with tears of joy. In this context, a psychological bombardment intruded at the moment when the clouds of war are receding and being joined by palm-scented rain clouds.

"As you can see, one out of every three houses in this area has been partially or fully damaged in the war. By al-Tanumah residents returning to their homes, 95 percent of the approximately 1 million al-Basrah residents would have resumed their customary everyday life. As for the other 5 percent, those are the residents who have willingly chosen to live permanently in other cities or regions in Iraq."

The governor of al-Basrah, in his interview with AL-SIYASAH, added that this city, which President Saddam Husayn has named the "city of cities," has turned brave steadfastness into another episode or chapter in its long and distinguished history as the capital of the Islamic world, as the source of inspiration, as the land of poetry and as the place from which Sinbad departed on his legendary trip in the two faraway directions: the past and the future.

"Al-Basrah's tremendous historical heritage is no small or fleeting matter that allows a change of location while we are rebuilding it.

"Al-Basrah shall remain al-Basrah. It will stay where it is and remain the center of the province with only one difference: we will make it the Venice of the East." Mr al-Hadithi added that the approved blueprint of post-war al-Basrah combines tourist, industrial, commercial and residential factors. In other words, there will be no new and different perceptions for al-Basrah but rather planning that takes advantage of it being the only city in the East located on 11 rivers, with a canal running through it at different sides in addition to the Shatt al-'Arab and Shatt al-Basrah. We have completed the necessary studies for cleaning and lining these 13 rivers, canals and shores with stone, in addition to building floodgates joined together with a network of canals to enhance al-Basrah's inherited poetic charm.

Four Corps Participate in National Campaign

The governor said that the broad-based popular work campaign ordered by the president has so far accomplished 70 percent of the workload assigned to it. Barricades, shelters and rubble have been removed and swamps filled in. Four army corps, the coast guard and al-Basrah municipal machinery are participating in this campaign which governor al-Hadithi is running, keeping in mind that this popular campaign has not slowed down intensive official work that has been focused for the last 2 years on the construction of 75 schools in al-Basrah municipality and the renovation of old ones.

The governor also said that not a single school built out of mud or papyrus will be left in the area.

40-Meter High Mountain Between Al-Zubayr and Al-Basrah

According to available estimates, says the governor, 65,000 shells fell on al-Basrah during the 8 years of the war, destroying thousands of homes, 140 schools, 57 mosques, 13 hotels, 18 hospitals, 6 churches and 1,588 civilian cars and killing 1,638 and injuring 7,282 persons. Al-Basrah's legendary resistance will be immortalized by the building of a 40-meter high mountain, representing the amount of weapons all the corps used in the war. This mountain will be erected on the road to al-Zubayr and will overlook the city of al-Basrah to tell the coming generations of the weapons the Iraqis consumed to preserve the freedom and dignity of al-Basrah and of every grain of soil in this nation.

Another Mountain in Al-Faw

The governor also said that another smaller mountain will be built in the city of al-Faw equal to the amount of offensive and defensive weapons we consumed in a battle which is now part of the curriculum taught at international military academies.

Mr al-Hadithi praised the pioneering popular initiatives that have greatly contributed to al-Faw's reconstruction, be it through money donations or by devoting personal, theatrical and cultural efforts to this end.

Integrated Tourist City in Al-Faw

The governor gave the impression that the al-Faw reconstruction committee will begin its work in 6 months by building new roads, sewage systems and government offices, meanwhile distributing pieces of land to al-Faw residents. In building this city, care will be taken to make it an exceptionally beautiful city with parks and an integrated tourist city.

New City on Al-Zubayr-Al-Nasiriyah Road

The governor of al-Basrah disclosed ready plans to build a new residential and industrial city, to be named "al-Saddamiyah City," not far from al-Basrah on the al-Zubayr-al-Nasiriyah road. By this Mr al-Hadithi meant to reemphasize that al-Basrah will retain its heritage, civic life, and spirit, but with new internal planning that takes advantage of it being located on 11 rivers and two shores, thus making it the Venice of the East. "The only new building we will allow is the Arab-Islamic type which will be this city's distinguishing feature and architectural style.

Al-Basrah Rebuilding Programs and Costs

The governor of al-Basrah said that President Saddam Husayn has issued an order to allocate 1.4 billion dinars (about \$4.5 billion) for the reconstruction and planning of the "city of cities." Mr al-Hadithi reviewed a number of construction projects that had been presented to a delegation of Gulf businessmen who visited Iraq as well as to other similar Arab and foreign delegations. These projects include:

- Road building and paving in accordance with plans drawn up by a team of al-Basrah University engineers and planners and a number of Iraqi consulting firms.
- A sewage system project, the third phase of which has been awarded to an Indian company. The fourth and fifth phases are still under planning.
- A major project to draw drinking water 200 km from al-Nasiriyah to al-Basrah. The cost of this project is estimated at about 300 million Iraqi dinars, or over \$1 billion. Linked to this project will be a secondary water system, part of which will be built by Iraqi companies and the rest will be put up for bids soon.

It is noteworthy that an agreement has been reached with a number of Arab funds to grant loans in the amount of \$600 million for building water systems and numerous other basic utilities in al-Basrah.

- Construction of three huge shopping centers in various parts of al-Basrah.

- Building a large international stadium at the Celebration Square to hold 120,000 spectators.
- Building a martyrs museum and a number of new hospitals in addition to rebuilding cities destroyed by the war.
- A study is underway to set up an industrial and commercial free zone to attract national and Arab investment companies based on the facilities and guarantees provided by the Arab capital investment law and new trade regulations in the last two years.

Direct Flights From the Gulf to Al-Basrah

The governor also said that al-Basrah International Airport, which is now linked to Baghdad via two daily flights, will soon be able to receive foreign flights. Direct flights will be instituted between al-Basrah and various Arab Gulf states.

It is noteworthy that the al-Basrah airport, whose reconstruction and planning began before the war broke out, was built during the fighting at a cost of \$450 million and was inaugurated fifteen minutes after the cease-fire was declared by a plane carrying the director general of Iraqi Airlines, Engineer Nur-al-Din Safi.

Navigation Plans in Al-Basrah and Shatt Al-'Arab

Awaiting the settlement of political differences, particularly those pertaining to the Shatt al-'Arab within the framework of Security Council Resolution 598. As soon as the cease-fire was declared, the Iraqis began cleaning the waterways leading to the ports of Umm-Qasr and al-Zubayr on 'Abdallah Bay. The estimated cost of this project, which is being undertaken by Iraqi companies and an international company, is about \$1 million to be used to remove the wreckage of 18 broken ships in 'Abdallah Bay with a view to putting the floating oil and non-oil freight facilities back in operation. Sea freight operations along this waterway have in fact begun, but the final work on the cleaning and reactivation project will be completed next June, according to expert technical estimates.

As for the cleaning and operation of the Shatt al-'Arab that has 75 rusted and destroyed ships that have been out of operation since the beginning of the war, it is contingent on the political negotiations.

"If Iran responds to negotiations and backs off from its position, the cleaning and reactivation of the Shatt al-'Arab will begin immediately and this will take about 2 years. Otherwise, our study to divert this Shatt has been completed." This is what the governor said to AL-SIYASAH, commenting on reports about another possibility whereby a new waterway is built. He said that the idea put forth is the same: to divert the riverbed where the two rivers meet via a new canal in an area where geographic and soil conditions are more favorable than in other similar areas in Suez and Panama for opening wide waterways. Common thinking is that the

diversion process and building of a new canal will begin at al-Ma'qal Port a few kilometers north of al-Basrah in the southwest direction toward 'Abdallah Bay.

Another Alternative: Widening Shatt Al-Basrah Canal

Non-official technical sources told AL-SIYASAH of another likely possibility: to widen the "Shatt al-Basrah Canal." This canal links al-Basrah to al-Zubayr and 'Abdallah Bay and work is under way to clean it. Should this be decided, the widening of Shatt al-Basrah may be a practical alternative, but this project has been put off.

Economic Trends, Strains on Economy Described *44040312 Kuwait AL-WATAN in Arabic 28 Feb 89 p 10*

[Text] Several basic commodities in Iraq increased in price by about 150 percent in the space of 1 year, while luxury items have become almost completely unobtainable for the overwhelming majority of Iraqis.

Iraqi economic officials attribute the price increases, in particular, to the greed of the private sector, which is bent on realizing quick, substantial gains.

Since the transfer of a number of state agricultural organizations to the private sector, the price of a carton of 30 eggs, for example, has increased to 3.5 dinars or \$11 at present, compared to 1.25 dinars or \$4 before the transfer of these organizations to the private sector. The same applies to the price of meat, which increased from 3 to 6.5 dinars per kg. Fruit too, is being sold for 1 to 2.5 dinars per kg, while vegetables are being sold for about 1 dinar per kg, double the price of last year.

These price increases, which have encompassed all food products to varying degrees, did not spare clothing, especially imported clothing, or electrical products and household electrical appliances, which appeared a week ago when Iraqis living in Iraq were allowed to import several manufactured products provided that they justify the source of their financing, and do not transfer currency abroad.

The average monthly salary of 85 dinars is barely enough to cover expenses for 1 month, and the acquisition of a car is considered a true achievement.

The cost of a Brazilian-made (Basat) Volkswagen is about 13,000 dinars, the equivalent of \$42,000. In order to achieve this goal, one must hold a second job.

The purchase of a house, on the other hand, is only a dream. A recent letter from a reader of AL-THAWRAH newspaper, the official organ of the ruling Ba'th Party, stated that the price of a two-bedroom apartment exceeds 35,000 dinars, or \$110,000, requiring many young married couples to live with their families due to the lack of rental housing.

For several months, price increases have aroused feelings of frustration on the part of many consumers. These people will not hesitate to air their complaints through the local newspapers in view of the call for "freedom of expression" made by President Saddam Husayn.

Among the calls made by the Iraqi president to promote expression of opinions is his statement to "write without pressure or hesitation, and without fear as to whether the state agrees or disagrees with what you write." This statement has begun to appear at the head of the readers' letters page in several Iraqi newspapers.

In order to attempt to curb price increases, and to achieve stability in the market, the Iraqi minister of commerce recently decided to offer, in state stores, products at prices which are 25 percent lower than those of similar products sold in non-state stores. However, buying from state stores is limited to army employees and personnel, provided that their purchases not exceed a fixed monthly quota.

The Iraqi government is also continuing to subsidize several basic products, such as flour, sugar, rice and tea, for which were allocated about 300 million dinars, or \$950 million per year were allocated, according to an informed source.

Transference of Organizations to the Private Sector

In any case, as far as the government is concerned, there is no possibility of re-examining the policy of applying economic freedom which began in 1987. Iraq's first deputy prime minister, Taha Yasin Ramadan, recently stated that the support of the private sector is not merely a limited phase, but constitutes one of the principles of the revolution.

The minister of Culture and Information, Latif Nusayyif Jasim, believes that the government's decision to transfer small and medium organizations to the private sector is a judicious and serious measure.

He stated that it is not reasonable for the state to continue to administer organizations which the private sector can assume responsibility for managing.

He added that the state must be concerned with strategic economic sectors, such as the heavy, arms, and land reclamation or dam construction industries, in order to carry out the directives of President Saddam Husayn.

The Iraqi president has more than once emphasized the state's need to transfer industrial organizations to the private sector in order to free itself from administering them. He has also recommended that these industries be granted financial exemptions for a period of 10 years as a means of encouraging them.

Jasim did not attribute the price increases solely to the private sector, which is pursuing the fulfillment of its material needs in painful stages, but also to middlemen, the reduced value of the dollar, and the decline in oil prices. In the final analysis, the Iraqi government, which is relying on time, views competition as inseparable from economic freedom and an abundance of products, both of which will work to reduce prices.

ISRAEL

Arens Interviewed on Situation in Territories *Tel Aviv HA'ARETZ in Hebrew 5 May 89 p 15*

[Interview by Dan Shilon]

[Excerpt] [Passage omitted]

[HA'ARETZ] Is there an ideological basis for your current support for elections in the territories, or does it stem from the reality that has been forced on us, such as the intifadah?

[Arens] My support for elections is based on the fact that a dialogue constitutes the first step toward a settlement, if it is at all possible to achieve. For many years, perhaps too many, the accepted position in Israel was that we should talk with Jordan about everything connected with the Arab population of Judaea, Samaria, and the Gaza District. This was also totally justified.

[HA'ARETZ] This option does not exist.

[Arens] This option no longer exists because King Husayn changed his position by declaring that he was abandoning the area and the population. A realistic perspective on our part requires us to take this statement seriously. Husayn does not represent this population. We must identify its authentic representatives and launch a dialogue with them. In our terms, authentic representatives are those who are elected by the local population.

[HA'ARETZ] And these, most likely, would be people who are identified with the PLO.

[Arens] We are too quick to jump to conclusions which perhaps seem correct at first glance. We can't tell how the elections will turn out. There are polls and assessments, but sometimes there are surprises as well. I don't imagine that the results will be monolithic.

[HA'ARETZ] Do you have any doubts that the individuals elected will be identified with the PLO?

[Arens] I wouldn't be surprised if a portion of the people elected state that they are PLO supporters. Even the PLO is not a monolithic body. It, too, is composed of various factions.

[HA'ARETZ] In other words, there is a "kosher" PLO, and a "non-kosher" PLO?

[Arens] I did not say that. Whoever is elected will be acceptable [as a partner to] a dialogue and negotiations. This still does not mean that we will arrive at an agreement. It's also possible that the chances of reaching an agreement are a function of who is elected. We will talk with whoever is elected.

[HA'ARETZ] Eighty prominent figures in the territories have already declared that they will not cooperate with such elections.

[Arens] I don't know to what extent they issued this statement of their own free will. A wave of terror is now sweeping Judaea, Samaria, and the Gaza District, and a day doesn't pass without the murder of individuals there who don't fully agree with the PLO line. I am really curious to know why some of those same people who were signatories to the petition are opposed to the elections. When I put myself in the place of a Palestinian living there, elections are exactly what I would want.

[HA'ARETZ] Then why is it that you and other cabinet ministers don't attempt to meet with figures in the territories in order to arrive at an agreement on the elections?

[Arens] According to the distribution of tasks in the cabinet, the defense minister is responsible for Judaea, Samaria, and the Gaza District. As far as I know, he maintains direct contacts, as well as contacts through people working with him, with Palestinian figures. When I was defense minister, I also devoted a great deal of my time to talks with these figures.

[HA'ARETZ] There are cabinet ministers who are convinced that the notion of elections is a "time bomb" that will lead to an independent Palestinian state.

[Arens] The danger of a Palestinian state being established in Judaea, Samaria, and the Gaza District has existed for a long time. We will do everything to prevent its realization.

[HA'ARETZ] Aren't the proposed elections tantamount to a path from which there is no return, a path that will ultimately lead to a Palestinian state?

[Arens] I don't believe that this is a path from which there is no return. Our conception is that prospects for a settlement are inherent in the first step, a dialogue. The dangers to Israel—including the establishment of a Palestinian state—which were latent in our sitting back, marking time and not adopting the prime minister's initiative, are greater than the risks entailed in taking the initiative. There are dangers and there are opportunities.

[HA'ARETZ] What did you learn from 'Arafat's visit this week to Paris and his dissociation from the Palestinian covenant?

[Arens] I would like to remind you of 'Arafat's interview with "Le Figaro" on the eve of his visit, in which he said that he is unable to alter the Palestinian covenant.

[HA'ARETZ] But in practice, on French soil, he spoke in a different vein, and said that for all intents and purposes the Palestinian covenant does not exist.

[Arens] He did not abrogate the Palestinian covenant.

[HA'ARETZ] He made some explicit statements. Don't you consider this to be progress?

[Arens] I do not see any substantive change of position in 'Arafat's declaration in Paris.

[HA'ARETZ] What would render Arafat and the PLO acceptable to you? A formal change in the Palestinian covenant?

[Arens] No. Not even a formal change in the Palestinian covenant would make me change my mind. Our negotiating partners are representatives of the Palestinians in Judaea, Samaria, and the Gaza District.

[HA'ARETZ] Doesn't the fact that the United States, France and many other Western countries officially recognize the PLO and Yasir 'Arafat mean anything to you?

[Arens] It's a fact that some world leaders are making a pilgrimage in order to be photographed with 'Arafat and to shake his hand, and sometimes to embrace him, too. Perhaps only psychologists can explain the astounding phenomenon of their doing so with the person responsible for the worst atrocities that the world has witnessed since World War II, a man who is directly responsible for the murder of thousands of people.

[HA'ARETZ] Do you consider 'Arafat a more brutal murderer than Syrian President Hafiz al-Asad?

[Arens] I haven't made a quantitative comparison. But there is, nevertheless, a difference between the wars we have fought with Syria and Egypt, and blowing up aircraft in midair, taking hostages, harming children and infants—[the attack on] the Savoy Hotel, the murder of the athletes in Munich. We find it difficult to even draw up this long list. It is, therefore, surprising to see people standing in line nowadays to meet with 'Arafat. No political consideration could possibly justify this. An explanation should be sought in the field of psychology.

[HA'ARETZ] But perhaps the psychological aspect pertains to us, to our apprehensions about holding a dialogue with our enemies?

[Arens] I am familiar with the old saying that if you seek peace, you must speak with your enemies. On the face of it, you can't argue with this axiom. But it's not so. You don't speak with every enemy. One doesn't speak with

the mafia, or with the neo-Nazis. Also, no one spoke with the Nazis, even though there were those who wanted to do so. Today, we know this was a mistake. The meetings with the PLO only bolster the most extreme and violent element in the Arab world.

[HA'ARETZ] Did French President Francois Mitterrand stab Israel in the back?

[Arens] I wouldn't employ such hyperbolic terminology. President Mitterrand is a friend of Israel. I am certain of this. I was impressed by his concern for and commitment to Israel's security. But good intentions do not always lead to good results. I wouldn't suspect Mitterrand's intentions. He is convinced that his meeting with 'Arafat is part of his contribution to advancing the peace process. But the result is just the opposite. In any event, we are the ones who live in this region and we know who we're dealing with.

[HA'ARETZ] In the not-too-distant past you proposed that Israel demand, in the framework of a permanent settlement, that Israeli sovereignty be applied in Judaea and Samaria. Is this your position now as well, against the backdrop of the initiative for elections in the territories?

[Arens] When we conduct negotiations on a permanent settlement, Israel will indeed demand the application of its sovereignty in Judaea, Samaria, and the Gaza District. I don't know when that will be, or who will then be sitting in the government, who will be the foreign minister or the person representing Israel in these negotiations. But there is no logic in attempting, at this point, to characterize the lines of a permanent settlement.

[HA'ARETZ] Were you surprised to hear the defense minister say this week that he intends to take more forceful measures in order to eliminate the intifadah, if the residents of the territories are not cooperative with regard to the elections idea?

[Arens] We must do everything possible in order to restore order and quiet in the area.

[HA'ARETZ] I asked you to comment on Rabin's statement.

[Arens] I don't wish to argue or to spar with the defense minister. He is responsible for security. We are both cabinet members, and if I have any comments or suggestions on how to handle these issues—and I do, since I myself was minister of defense—then I must pass them on to Yitzhaq Rabin directly, and not via HA'ARETZ.

[HA'ARETZ] Doesn't the public have a right to know Moshe Arens's opinion on Yitzhaq Rabin's measure of success, or failure, in quelling the intifadah?

[Arens] I'm not certain that this right has to be exercised. The public knows that all the members of the cabinet bear a collective responsibility for decisions and policies. Consequently, I and the other ministers bear a collective responsibility for the attempt to bring calm and restore order.

[HA'ARETZ] If you indeed bear the responsibility for this, do you think it could have been possible to achieve more effective results in suppressing the intifadah?

[Arens] Well then, if the defense minister said so, I am prepared to agree with him.

[HA'ARETZ] You are admitting here, in effect, that it was possible to moderate the dimensions of the intifadah and perhaps even eliminate it, but that this was not done.

[Arens] I have no doubt that the situation could have been improved.

[HA'ARETZ] Do you still back, as you did in the past, the induction of Israeli Arabs into the IDF [Israel Defense Forces]?

[Arens] Yes, I most definitely am in favor of inducting Israeli Arabs into the IDF. Israel's minority population cannot become integrated into Israeli society and identify with the state as long as it does not assume the civil responsibility of participating in the country's defense.

[HA'ARETZ] Could you envision Israeli Arabs, in IDF uniforms, chasing Arabs in the territories and acting to quell the intifadah?

[Arens] This is happening even today. There are Arabs serving in the IDF, there are Bedouins who serve in the Border Police. The IDF protects all Israel's sectors; not only the country's Jewish residents, but also its Arab inhabitants. (...)

Trade Deficit Worsens March-April 1989
TA1205094389 Jerusalem THE JERUSALEM POST in English 12 May 89 p 14

[Report by economics correspondent Avi Temkin]

[Text] Israel's trade deficit worsened sharply over the last two months, as imports rose while exports registered a marked fall.

Figures released yesterday by the Central Bureau of Statistics showed that the trade deficit totalled \$216 million in April. Adjusting for seasonal factors, the average monthly deficit in March and April was 29 percent higher than that of the previous two months, the bureau said.

The bureau attributed the marked increase in the trade gap to a fall in exports. The figures showed that average monthly exports for March and April were 15 percent

lower than in the previous two months. Average imports also dropped, but only by 3 percent the bureau noted, which was not sufficient to offset the effects of the export drop.

Cumulative figures for January-April showed that the excess of imports over exports totalled \$850m., 9.2 percent more than in the same period last year. Imports totalled \$4.1 billion, and increase of 4.1 percent over January-April 1988. Exports for their part remained almost stagnant, rising only 1.6 percent to \$3.3b.

Government and Bank of Israel officials had already expressed their disappointment at the weak export performance which followed January's devaluation of the shekel, even before yesterday's figures were published.

The bureau figures also showed that some sectors registered a drop in their overseas sales over the last months. Agricultural exports, which totalled \$270m. in the first four months of the year, were 23 percent below their corresponding 1988 level. Textile exports fell 4 percent, to \$206m., while those of food products fell 12 percent to \$161m.

The exports of electronic and metal goods showed a sluggish growth. Since the beginning of the year these exports have totalled \$931m., compared to \$917m. in the same period last year, an increase of only 1.4 percent. Polished diamonds worth \$890m. have been exported since January, a 6.4 percent rise over the first four months of last year.

Imports presented a mixed picture. The slump in the import of consumer goods continued, while imports of production inputs showed a marked increase.

Imports of consumer goods fell 15.5 percent in the first four months of 1989, to a total of \$427m. This reflected a marked drop in the import of consumer durables, which fell 30 percent. Included in this latter group were automobile imports, which reached \$68m. for January-April, little more than half the \$130m. level for the first four months of 1988.

Imports of production inputs, which are considered to have correlation with economic activity and production, rose 9.2 percent and totalled \$3.3b.

Bank Le'umi Figures for 1988 Analyzed
44000496a Jerusalem THE JERUSALEM POST in English 2 May 89 p 9

[Article by Pinhas Landau: "Le'umi vs. Hapo'alim: Not Losing Is Winning"]

[Text] Bank Le'umi's 1988 results, published last Friday, inevitably beg comparison with those of its arch-rival, Bank Hapo'alim, which released its 1988 figures one day before.

The dates of publication for each bank, incidentally, also contain a story: Le'umi originally intended to publish its results on April 12, while Hapo'alim planned on a later date, since its Klal Israel and Deleq affiliates were late in publishing their figures, which had to be incorporated in the bank's.

Hapo'alim found that it had little time left, with the Pessah holiday taking up a good part of the month, since April 30 is the official deadline for 1988 results. It considered Sunday April 30 a bad day to publish, because traditionally, newspapers do not appear on the following day, May 1, so that coverage would be held over until May 2. Friday, April 28 was undesirable, because Fridays are not usually working days for economic reporters, and Sunday papers offer them little room in which to write. That left Thursday, April 27 which, despite being the day following a holiday, was the best of a bad bunch.

Le'umi, meanwhile, found that it couldn't be ready by April 12. Thereafter, both its chairman and CEO would be busy with annual general meetings in several overseas subsidiaries. With Thursday the 27th booked by Hapo'alim, Le'umi was left with either the last Sunday or the last Friday in April or Hol Hamo'ed—the intermediate days of Pessah.

David Friedman, Le'umi's CEO and a strictly observant person, vetoed the Hol Hamo'ed option on the grounds that only business which cannot be delayed is halachically permissible on those days. That left Le'umi with the Friday slot—to the unconcealed chagrin of all the reporters and the slightly concealed chagrin of the Le'umi people involved, since the bank's head office personnel don't usually work Fridays.

The final irony, of course, was that in the end most of the papers did decide to appear on May 1, so that the best day to have chosen was, in fact, Sunday April 30.

Be that as it may, the results finally appeared. The dominant factor, as expected, was the unprecedented bad debt provision, which at Le'umi totalled NIS [New Israeli Shekels] 633m.—less than Hapo'alim's horrendous NIS 885m., but still enough to ensure that the bank made no profit. Nevertheless, Le'umi may legitimately regard the fact that it broke even (a loss of NIS 200,000 is negligible for such a large concern) as an achievement. The fact that it managed this without having much recourse to its general provision for bad debts—from which it drew less than NIS 18m., compared with Hapo'alim's NIS 64m.—makes the achievement even more impressive.

Furthermore, Le'umi reported a 3 percent rise in its gross income from financial operations, to a total of NIS 1.55 billion. This is a larger absolute sum than Hapo'alim's, even though Hapo'alim's total assets are larger and it has a considerably larger loan portfolio. What is particularly encouraging for Le'umi are the recent moves

toward expanding the banks' ability to use foreign currency deposits for lending in Israel and abroad. Since it has a much larger volume of foreign currency deposits than Hapo'alim, it will be able to put this gradual liberalization to good use.

But there were plenty of flies in Le'umi's ointment as well. Although reported salary payments did not rise in real terms between 1987 and 1988, this reflected the cost-cutting moves of 1987/88 coming to fruition, while the cost-boosting salary rises of 1988 itself will only feed through fully this year. Meanwhile, every other expense item rose, so that total expenses climbed 6 percent to NIS 1.264b., while at Hapo'alim, they were only fractionally lower at NIS 939m.

Perhaps even more significantly, Le'umi's income from commissions dropped 8 percent to NIS 318m., while Hapo'alim's rose by the same margin to NIS 272m. Fortunately for Le'umi, the catch-all item of "other income", which comprises fees from mutual fund management and other miscellaneous items, was strongly in its favour: It reported a rise of 16 percent to NIS 147m., while Hapo'alim moved 9 percent in the wrong direction, to NIS 150m. Since off-balance sheet income and revenues from commissions will be the main focus of competition in the coming years, developments in these items are especially important to track.

Moving from the profit and loss statement to the changes in each bank's capital base, Le'umi emerges with a clear advantage. Its equity, which was already higher than Hapo'alim's, both absolutely and as a percentage of total assets, dropped only 1 percent, because of the redemption of convertible capital notes. Hapo'alim's capital ended 3 percent lower than at the end of 1987, because of the bank's net loss.

The squabbling between the banks and the Supervisor of Banks at the Bank of Israel over using the general provision for bad debts has shown that this item should be considered a capital reserve—i.e. it should be added to capital. Le'umi succeeded in adding much more to this reserve than it was allowed to draw on to help cover its bad debt provisions, ending up with a total of NIS 180m. in its general reserve. If Le'umi adjusts this amount for tax purposes as Hapo'alim did, it will have about NIS 100m. Hapo'alim, on the other hand, used almost as much as it put in and was left with only NIS 68m. It will have to refurbish it in the next couple of years, which will create a drain on its profits.

It emerges then that each bank can legitimately claim it has done better than its rival or that its rival has failed in this or that respect. But these are tactical issues. On the question of overall success, there can be no question that Le'umi, which didn't lose, performed better than Hapo'alim, which did. But, while that is what counts as far as 1988 is concerned, it is not the only criterion by

which the annual reports should be measured. There is also the subtler issue of which bank made more progress in dealing with its basic problems.

In this respect, insofar as is possible to summarize the two reports in one paragraph, it is by saying that they prove what has long been obvious: Hapo'alim can only consolidate its position as Israel's leading bank by cleaning up its loan portfolio and ridding itself of a good deal of the accumulated garbage that the demise of the Histadrut economic empire has saddled it with. Le'umi, on the other hand, must find a way of tackling its costs, which are not only high but also rising steadily. In 1988, circumstances forced Hapo'alim to do more about its problem than Le'umi did about its. Therefore, although Le'umi won the numbers game, Hapo'alim has more to be satisfied about.

And one last point: The "big two" competed head-on in presenting their results in line with the new rules of reporting recently issued by the Supervisor of Banks. These demanded detailed reports from the board of directors and the senior management of each bank.

In this respect, there can be no doubt at all as to who won: Le'umi, and by a long way. Its reports were superior in every way—they were longer and more comprehensive. Most important, they were laid out more clearly and hence easier to read despite their length. One can only hope that other banks will learn from Le'umi that, since the disclosure is now compulsory, they might as well do it thoroughly and aesthetically.

What is certain is that the professional analysts have been given a ton of material to chew on, and the professors of finance who hold annual academic seminars on the bank results, usually in June, will have no excuse not to produce some devastating discoveries this year.

Nahhalin's History of Violence Described
44000496b Jerusalem THE JERUSALEM POST in
English 21 Apr 89 p 5

[Article by Michal Sela: "Village With a Long History of Blood"]

[Text] Nahhalin has had a long history of blood, or rather a long and bloody relationship with its Jewish neighbours. Both sides to the conflict have passed on bad memories to their children. It began 42 years ago in the daily clashes between the villagers on the Hebron mountain south-west of Bethlehem and the Gush Etzion settlements.

The War of Independence ended with the evacuation of Gush Etzion, but infiltrations across the border and attacks on Israeli settlements continued.

"Then it was a real attack, with bombs and hand grenades," a young man in Nahhalin told reporters this week. He was referring to the retaliation raid in the village in 1954, after infiltrators from the village killed one guard and wounded another at Moshav Kesalon, south-west of Jerusalem. However, judging from his age, he must have heard the story from his elders—just as the young settlers of neighbouring Gush Etzion, resettled after 1967, know it from theirs.

"They are all killers," said this week an ex-Unit 101 soldier, Uri Mikha'eli, who found it too painful to recollect the operation. His younger brother was killed in January 1948 with the "Lamed-Heh," the 35 Israeli soldiers who were killed in a clash with Arabs on their way to assist the besieged Gush. Nahhalin did not take part in that battle, "but all the Hebron area Arabs are the same."

"If you trace the names," said a 101-veteran Shlomo Baum, "you find that the same families involved in today's riots were the gunmen in 1936."

The elite Unit 101 was established in 1953, together with the Border Police, after two years of continual, across-the-border harassment and repeated failure of the then inexperienced IDF [Israel Defense Force] to control the situation. It was also a tacit solution for the young sabras, frustrated by the recent disbanding of the Palmah, but eager for the chance of participating in military adventures like their predecessors.

The man chosen to command the 101 was a 25-year-old reserve officer, Ari'el Sharon.

As far as the people of Unit 101 were concerned—Nahhalin, "beekeepers" in translation, was more of a hornets' nest.

In March 1954, Israel was shocked by a horrifying terrorist attack on a bus travelling in Ma'ale 'Aqrabim, in the Negev, where all but one child were killed in an Arab ambush.

The Jordanian army was put on alert in anticipation of retaliation. A week later, Nahhalin villagers attacked Kesalon guards. "We had intelligence information that they were from Nahhalin," said Baum.

The following day, March 28, the army attacked the village with two companies—60 soldiers—about the size of last week's force.

"Those were the days of assassinations," writes the legendary 101-hero Me'ir Har-Tzion in his memoirs "Pirque Yoman Tzva'i" (Chapters from a Military Diary, Lewin-Epstein, 1969). "People were outraged. Would there be revenge?"

"No attack on women and children," was the order given to the 101's who were sent to Nahhalin.

Har-Tziyon describes the march through the mountains from Jerusalem to the village as an adventure. "When we realized that the enemy was waiting for us...we decided to attack and subdue its eastern section."

"Each group was equipped with a flashlight to distinguish between men and women," he writes. "The first house. Explosives tear the door open. An Arab appears at the torn gate. I blow him away with a shot."

The unit advanced in the same way as last week, "quickly past the houses." The difference from last week's operation was that the villagers who escaped into the mountains then were carrying guns, not stones.

According to Har-Tziyon, "the victory joy" of 101 was complete when they saw two Jordanian army trucks which had run over a mine burst into flames.

The first Nahhalin operation was over at 4 a.m. "when we had a light breakfast in Mevo'ot Betar"—the time that last week's operation got under way.

"By the next day the results were known: 10 enemy dead and 19 wounded. All was well with our forces."

However, Jordan Radio reported: "The Jews put explosives in the mosque and several houses."

A colonel and nine soldiers were killed, 17 wounded. A young Nahhalin resident said at least six villagers were killed. The mukhtar, Rabbah Mustafa, was among them, writes Arye Avneri in "Peshitot Hatagmul" (Retaliation Raids, Sifriat Madim).

Information and spokesmanship were sensitive matters then no less than today, writes ex-chief censor Avner Bar-On in "Hasipurim Shelo Supru" (Stories Not Told, Idanim 1981). Censorship was employed as a means of image creation.

Ben-Gurion, according to Bar-On, adopted a policy of treating the retaliatory operations of the military as local civilian initiatives. After the big Kibya operation when women and children were killed and several houses were demolished, Ben-Gurion ordered Qol Yisra'el to announce: "The IDF was not involved in the operation."

Answering a question on Nahhalin, then foreign minister, Moshe Sharet said: "It seems to be a local operation."

Bar-On referred to it as a public relations failure. Pictures of destroyed houses, corpses of women and children were flashed all over the world. The image of Israel killing the innocent was unavoidable "and Israel kept silent."

"Despite the casualties the IDF suffered," writes Bar-On on Nahhalin, "no official announcement was published the next day." Then as now, the press fell back on "Palestinian sources." The newspapers resorted to Radio Ramallah for details.

The Nahhalin raid, together with the Ma'ale 'Aqrabim attack, were brought to the UN Security Council. The IDF commanders, Avneri writes, were satisfied with the success of the first serious retaliatory operation.

English-Language AL-QUDS To Be Published in London

TA1251313 Tel Aviv MA'ARIV in Hebrew
12 May 89 p A2

[Report by Ilan Bakhar]

[Text] Mahmud Abu-al-Zalaf, the editor of AL-QUDS, which is published in East Jerusalem, has recently received permission from the British Government to publish an English-language newspaper in London and to distribute it in Britain and 15 other countries.

The newspaper will retain its original name AL-QUDS although it will be printed in England. The newspaper was previously known for its pro-Jordanian tendencies, but with the decline of Jordan's status in the territories and the reduction of support for Amman among Palestinian inhabitants in Judaea and Samaria, it has become pro-PLO, representing the PLO mainstream.

Jerusalem circles view the publication of AL-QUDS in London as a further PLO effort to exploit the media to win over world public opinion. The PLO has recently made a serious effort to raise the level of meetings with public figures in England. Bassam Abu-Sharif, 'Arafat's political adviser, met with William Waldegrave, the Foreign Office minister of state for that purpose. According to reports reaching Jerusalem it seems that Faysal al-Husayni also attended the meeting.

JORDAN

Citizens Describe Difficulties Created by Price Increases

44000497 Amman JORDAN TIMES in English
20-21 Apr 89 p 3

[Article by Najwa Najjar: "Price Adjustment Forces People to Adjust"]

[Text] Amman—Following the recent price increases of several goods and services, most Jordanians say that they have been affected substantially, according to a limited survey conducted by the JORDAN TIMES.

The survey, a random sample of people from different social classes of Jordanian men and women in the 20-60 age range, found that Jordanians expect difficult times ahead.

Those items with a price hike, which could be cut from the individual's life such as cigarettes, alcohol, soft drinks and telephone calls were cut. People have already reduced allocations for these items from their budgets.

One supermarket employee has cut down to one pack of cigarettes a week instead of his usual two to three packs. A secretary at the university of Jordan used to smoke a pack of cigarettes a day, she has now decided that one a week is enough.

A columnist said in passing that he will be hesitant to serve alcohol at home. "Guests will probably get a glass of lemonade," he said.

A newly married secretary said that due to the increase in prices of soft drinks, "I think water is the best drink." Her friend has already asked for the "O" hole in his telephone set to be removed, so that all international calls must be routed through the operator, "lessening the temptation to call outside frequently."

But, what about the commodities that Jordanians cannot afford to live without: Petrol, solar, kerosene, fuel oil, detergents, whose prices were considerably increased. Most interviewees said they would have to make up for the price difference by eliminating other items.

A bank employee said, buying clothes is definitely now out of the question. "While a stone cutter suggested that instead of buying new clothes, 'I will now have to buy clothes for my children from the second-hand stores.'"

A housewife said that she needed "double the amount of money" to buy the same amount of goods for her home. "Before I used to buy items needed or not. Now I buy, not only the necessary items, but I check the prices to see which is the cheaper brand."

Two civil servants pointed out that trips to the hairdressers and drycleaners would lessen considerably. One civil servant said, "what scares me is that the rise in prices while wages remain constant may threaten the education system."

He explained that some families may find a tawjihi level of education sufficient for their children, since university fees may "sap them of the funds necessary for survival."

A messenger said that he could not afford to buy the supplementary milk for his three-month baby and that the baby must now derive all its nutrition from its mother's milk.

A student said, "we can't buy tomatoes now because it is too expensive, so we do without it."

But, the farmer who has to pay six times more for his irrigation water said with dismay that even if he did eliminate other goods from his life, his crops need the

same amount of water he used previously. "We cannot use less water because the vegetation needs a certain amount, and must receive that amount regardless of the price of water." This will eventually lead to higher prices for fruits and vegetables, commented an ambassador.

An employee of a private company was also disheartened as she noted that people in Jordan could not do without some of the essentials with a price hike. "We have to buy solar and gas. What are we supposed to do, freeze in winter? or stop cooking? or stop driving our cars? We can't consider such items luxury goods."

One particular daily labourer, who makes four to five dinars a day, believes the day will come when he and his family will go hungry. How can I afford to pay rent, pay for fuel and feed my wife and two children?" he asked.

His working partner, an Egyptian, said that not only do they have to pay to survive, but why "one Jordanian dinar as television tax when I do not even have a television?"

He plans to return to Egypt "I have no other choice. I came to Jordan to save money, now the situation is the opposite."

Some interviewees said that they tried to substitute for certain products.

A secretary at the University of Jordan said that her family was considering putting heavy curtains and wall-to-wall carpeting in their home to insulate the heat in the home... In addition the fuel for heaters would be replaced with wood, "and instead of a heater in every room, we will have to do with one warm room."

Several of those who were interviewed were planning to buy cars, but as one put it, "so much for the car or travelling for that matter." An agricultural engineer, who used to drive to Amman from al-Zarqa' every day, has now opted for the public transport.

Even those who tried to purchase certain goods, "We found them to be more expensive," said one labourer. He said that when he had the money to buy certain goods, "the shopowner tells me that he does not have any left. He is waiting for their prices to rise before he sells me any."

The increase of prices may mean an increase of sharing among Jordanians many expressed the belief. One lawyer said that carpooling is becoming a common part of her life. "The other day, four families were going to the same place. Instead of taking four cars, we decided that we could all fit in two cars."

Several of the young men interviewed said that they were hesitant to commit themselves to marriage, preferring to stay at home "until the economic situation improves or we have more money...whatever comes first."

Overall, those interviewed agreed that it would be very difficult to make ends meet as long as their wages remain the same, their dinar has a purchasing power 50 percent less than six months ago and prices continue to increase.

Future Water Shortage Described

44000483a Amman *JORDAN TIMES* in English
9 Apr 89 p 3

[Text] Amman (J.T.)—A study prepared jointly by the Ministry of Water and Irrigation and the Jordan Valley Authority (JVA) reveals that the Kingdom will be facing a shortage of 75 million cubic meters of water annually by the year 2005 unless more resources are found and exploited in the Kingdom.

The study, which was submitted to a water strategy seminar held in Amman earlier this month, also revealed that nearly 85 percent of rain water which falls in the country is either evaporated or flows down the wadis and streams to the River Jordan and the Dead Sea.

According to the study some 7,200 million cubic meters of water fall on Jordan annually on an average basis but very little is exploited.

The study said that water resources in Jordan are being exploited for drinking and domestic use, for industry and irrigation, and the concerned authorities continue to carry out projects designed to provide more water supplies to the ever-increasing population and build dams to collect water for irrigation purposes.

It said that 96 percent of the Kingdom's population are now supplied with drinking water from springs and underground artesian wells thanks to projects executed at Wadi al-'Arabah near Irbid, which supplies 20 million cubic meters annually; Qastal project, near Amman, with 15 million cubic meters capacity; al-Azraq project which supplies 14 million cubic meters; Dayr Allah, in the Jordan Valley, which supplies 45 million cubic meters; Sultani project near Karak with 3.5 million cubic meters; Shubbak, 1.5 million cubic meters and Disah, 17 million cubic meters of water.

The big and small industries of Jordan, which consume considerable amounts of water, are located within the population centers, the study noted.

The study noted that the successive development plans in Jordan allocated fair sums for the development of water resources—nearly 97 million Jordanian dinars during the 1976-1980 five-year plan, 250 million Jordanian dinars in the 1981-1985 plan and 280 million Jordanian dinars in the 1986-1990 plan.

Since the beginning of the 1960s, the paper noted, Jordan has directed its attention to constructing dams in the wadis with the purpose of collecting water for irrigation.

It said that apart from al-Wahdah Dam, which is being built on the Yarmuk River near the Syrian border, Jordan has several dams which together hold an estimated 452 million cubic meters of water.

These dams are: Kafrayn, Wadi al-'Arab, King Talal, Sharhabil, and Shuwayb.

According to the study the governments of Jordan has spent a total of 231 million Jordanian dinars on water projects and irrigation schemes in the Jordan Valley region.

Correspondence University for Palestinians, Others, Opens

44000483b Amman *JORDAN TIMES* in English
12 Apr 89 p 3

[Text] Amman (J.T.)—Al -Quds Open University (QOU) will finally open its doors for students in October 1989 at the start of the 1989-1990 academic year following a long delay and intensive preparations, according to University President Walid Kamhawi.

A great deal of problems have been overcome and more are still to be tackled in technical matters, funds and recording facilities among others, Kamhawi noted in an interview published by Sawt al-Sha'ab Arabic Daily Tuesday.

The university headquarters situated in Amman will be the first of its kind in the Arab World to provide distance education.

It was initially aimed at Palestinians living under Israeli occupation and whose education is being disrupted all the time by the Israeli authorities.

According to Kamhawi at a later stage the QOU will provide higher education services to Arabs who had missed the chance to enroll as full time students in the Arab World.

The QOU faces the problem of creating its own audio-visual studios for recording educational materials and also preparing the programmes with the help of highly specialized personnel, Kamhawi noted. He said both these processes cost a lot of time and money.

According to Kamhawi the QOU will provide courses that benefit the socio-economic development in the Arab World. These will include applied sciences, electronic and mechanical engineering and informatics, land and rural development, management education and in-service teachers training, as well as Arabic and English languages, computer sciences and others.

The QOU will enable people to obtain their education while earning a living wherever they are regardless of age, academic achievements of living standards.

As to the fees, he said, students will be required to pay between 30 and 50 percent of the fees normally paid to other universities in Jordan.

QOU will open provincial centers in Jordan and there will be tutors who will follow up the progress of each student.

The project was initially financed by the Palestine National Fund but later the university started receiving assistance from the United Nations Educational Scientific and Cultural Organization (UNESCO).

KUWAIT

Kuwaitis Form 28 Percent of Population, Reliance on State To Change

44000484b Kuwait ARAB TIMES in English
8 Apr 89 p 4

[Text] Kuwaitis should shoulder their responsibilities towards developing their country as the government has provided them with all incentives, a senior Kuwaiti official said.

Speaking at the second discussion on state development, Dr 'Abd-al-Wahhab al-'Awwadi, Undersecretary at the Ministry of Planning said that Kuwaitis represent only 28 percent of the country's population. Translated into figures, Kuwaitis accounted for 532,000 while expatriates numbered 1,320,000.

Explaining the large difference in comparison to figures reported in past population census, 'Awwadi said that these figures were arrived at after the problem of persons without nationality was solved. He went on to state that previously these stateless persons had been counted along with the Kuwaiti population.

Elucidating, he said that Kuwaitis form only 14 percent of the country's workforce, while they are only 1.6 percent in the private sector. According to previous officials statistics, based upon the latest census in 1985, Kuwaitis formed about 40 percent of Kuwait's population and about 20 percent of the workforce.

Change

"It has now become imperative to change the Kuwaitis view towards life after many years of dependence on the government, which killed the work spirit, creativity and initiative" 'Awwadi said and added that the discussion henceforth must be centered on how to change the thinking of the Kuwaiti population.

Kuwait still needs the services of expatriates, the official said, but "we have to be selective" on the basis of productivity. The policy of selection of expatriates is a government policy and will look into every aspect of

balancing the workforce and achieving a demographic equilibrium. The policy is based on providing Kuwaitis with a greater role in development, 'Awwadi said.

'Awwadi emphasized that "Kuwaitization of jobs is not the solution". He said that it is one of the easiest to achieve, but the problem lies in the private sector. It is thus necessary to link the policy of aid and support in the future with the process of building and developing Kuwaiti men and women. The minister stressed that the era of easy earning must end and that the local population must work hard to obtain their living requirements.

Also speaking at the discussion, Dr. Fard al-Rashid, managing director of the Kuwait Investment Authority called for a new economic strategy in the country.

Present features of the current economic situation will lead to a gradual deterioration in the economic structure and a continuous drop in the standard of living, the official said.

The future expectations indicate that the per capita share of oil revenues will decline below KD3,500 while the per capita share in public expenditure will cross KD5,000 by the end of this century, Rashid said.

Drastic Salary Reduction in Private Sector in Recent Years

44000484 Kuwait ARAB TIMES in English
8 Apr 89 p 4

[Text] Salaries paid to employees in the private sector have drastically been reduced during the past few years, according to local economists.

The general consensus among economists is that most of the private sector salaries, particularly in the construction sector have been almost halved compared to what they were during the year 1982. That year, also witnessed a huge surplus in manpower in most of the specializations in the local market, economists added.

One of the most effective means used by the private companies to reduce staff salaries and still retain their services is to sack them "en masse" and then reappoint those willing to rejoin on lower salaries. This scheme has been successful directly due to the excess of manpower in the private sector and is directly a contributory factor to the sharp drop in private sector wages.

Surplus

The recession in activities in the country and the entire region due to the particular political climate resulted in a huge surplus of workers. This surplus applied to almost all administrative as well as technical posts. There are few job opportunities available in the local market at present. Thus employees in the private sector already employed are compelled to stick to their present jobs.

The economists added that all these adverse conditions have strengthened the bargaining positions of businessmen. Conversely, employees are placed at a disadvantage and face several problems with landlords due to delayed payments of salaries, delayed payments of their children's fees and other incidental day to day expenses. Economists say that the present situation of employees in the private sector can best be described as deteriorating and "eating humble pie."

Freeze

The economists added that some private sector establishments such as banks, investment and shareholding companies did not apply such drastic measures, thought they did adopt policies that succeeded in reducing the growth rate of their employees' salaries.

Annual salary increases in many cases were frozen, including reducing many of the facilities already provided to the employees. Conversely, responsibilities were expanded resulting in reducing employment of newer staff. Promotions have also been restricted to a very few exceptional cases. Thus, economists said that most companies in the private sector put more burden on their employees without increasing their salaries even though they did not reduce them.

Directors of personnel affairs at several local private companies affirmed adopting such policies. They said that these policies created a state of unrest and instability and killed the spirit of initiative among employees. However, they stressed that reducing the cost of employees was instituted in a priority of the expenditure and rationalization policy of the companies.

Delays

However, economists said that some firms were more humane in their approach. They did not opt for collective sacking of employees. Instead they stopped new appointments and merged some identical jobs.

Another problem facing private sector employees and more intensely workers in the construction field, is the non-payment of salaries. Most of the employees interviewed said that the question of the delay in payment of salaries has become "the norm" rather than the exception. The only difference between the various companies operating in this field is the period of the delay. Some of them delay for a month or two, others for more, some pay in installments, and some others not at all.

Most analysts were unanimous that the section of employees who are most affected by the private sector measures are middle class employees who are adversely affected by salary cuts. They are particularly affected as the prices of most commodities and the standard of living as a whole has gone up, while salaries have declined.

OMAN

Tax Exemptions Granted by Decree

44000493c Muscat TIMES OF OMAN in English
13 Apr 89 p 22

[Text] The income tax exemption granted to companies fully owned by Omani nationals by virtue of the Royal Decree No 7/87 has been extended the end of December 1988.

This was contained in a Royal Decree issued by His Majesty Sultan Qabus.

Income tax in Oman is regulated by the provisions of the Income Tax Law for Companies issued in 1981.

Loans by Bank of Agriculture and Fisheries Granted

44000491a Muscat TIMES OF OMAN in English
13 Apr 89 p 12

[Text] The Oman Bank of Agriculture and Fisheries last year gave loans amounting to RO 6.1 million, twice the 1987 disbursements.

Announcing this on Sunday at the bank's annual meeting, Minister of Agriculture and Fisheries, Shaykh Muhammad Ibn-'Abdallah al-Hana'i said the bank was gearing itself up to the help raise production.

Substantial loans have been given to finance irrigation systems, marketing of dry lemons, goat rearing and Ominvest's egg production unit.

Fisheries accounted for 25 percent of the loan amount, Shaykh Muhammad, who is also the bank's Chairman, said.

The bank opened branches in Khasab, Buraymi, Rustaq and Sinaw last year. Seventy-two percent of the workforce is now Omani.

Laboratory To Improve Seafood Product Established

44000493b Muscat TIMES OF OMAN in English
13 Apr 89 pp 1-2

[Article by Bala Menon]

[Excerpt] The Marine Science and Fisheries Center [MSFC] has added another laboratory in its continuing bid to look for techniques to improve the quality of Oman's seafood resources.

The new chemical analysis laboratory was set up this week, under the guidance of Dr David L. Crawford, Programme Director at the Oregon State University Seafood Laboratory in the United States. [passage omitted]

Praising the facilities at the MSFC, Dr Crawford told the "Times": "This infant organization is doing pioneering work with its excellent facilities, and this laboratory will help determine the composition of the protein, fat, carbohydrates and the ash and mineral content of the various resources available in Omani waters."

Studies

At a seminar on Monday at the center, Dr Crawford, who was in Oman on a two-week visit, described the various studies being conducted at his laboratory in Oregon and indicated that some of them could be applicable to Oman.

"I have looked at the refrigeration and processing facilities in Oman and I feel that some minor changes in techniques can dramatically improve the quality of the Omani product."

The Oregon State University Seafood Laboratory is one of the largest and the only one of its kind in the world and Dr Crawford said statistics show that nearly five million tonnes are available for US fishermen in the Eastern Pacific.

The laboratory which is now assisting the Omani center in various fields, is involved in work related to process improvement, new product development, utilization of processing waste, fish nutrition and feed development.

The processing of fish waste is a universal problem and the Oregon State University has developed a heating method in which the waste is ground up, breaking up the enzymes. These materials can then be used as poultry feed. "I feel this technology is ideal for use in Oman as elsewhere. In addition, it alleviates a potential pollution problem."

Other pioneering research, which could also be of help to Omani scientists and commercial hatcheries are the ones on raw meat phosphorous and the moisture content in shrimp. "We found that a lot of product was being wasted in the processing and accordingly devised newer methods. The development of a shrimp peeler has been highly acclaimed along with the work on feed for salmon and other fish farms."

A major area of interest is the processing of unwanted fish. "In any catch, there is bound to be fish which no consumer wants," Dr Crawford told the seminar. "What we do is take this unwanted fish and make them into surimi."

Surimi is an intermediate product and is a high-quality protein, which experts say has the potential to become a cheap and acceptable worldwide food source. The technology was developed in Japan during the Second World War and is now being looked into very closely at Oregon.

The fish industry is a commodity industry and is now increasingly taking a consumer-oriented stand. "So instead of just selling fish, firms in the United States are filleting and selling them in small portions in vacuum-sealed plastic bags which the consumer can pop into their ovens."

New products are also being developed, including the experimental fish sausage which was funded under the US Federal Food Programme. "The US has a fairly large aquaculture industry and I believe that scientists and commercial fishing establishments in Oman as well should become more food-oriented than just being specie-oriented," Dr Crawford said. He urged more attention to the utilization of all seafood and the conversion of these seafood into high-quality products.

Dr Crawford said several studies could be done in Oman successfully and the MSFC was well-equipped to handle them.

The seminar was part of series introduced at the MSFC in January last year. Some two seminars are held on subjects related to marine science every month, the series coordinator, Dr John A. Dorr II told the "Times". The next seminar will be on April 17 on "Crown of Thorn Starfish: Are Predators Important?" and will be conducted by Dr R. Ormond.

Steep Climb in Port Services Profit Reported 44000493a Muscat TIMES OF OMAN in English 13 Apr 89 p 21

[Article by Bala Menon]

[Excerpt] Mina' Qabu registered an impressive improvement in cargo traffic during 1988, with conventional cargo recording a steep climb of more than 97 percent over the previous year.

Addressing shareholders of the Port Services Corporation at the annual general meeting at its premises in Jibru, Chairman Shaykh Ibn-Hamoud bin-'Abdullah al-Harthi, who is also Minister for Communications, said a commendable increase was also reflected in the import of vehicles and mechanical equipment.

Movement of vehicles showed a percentage increase of 53.5 percent while containers unloaded increased by 13.6 percent. The bulk of the conventional cargo comprised special pipes for use by Petroleum Development Oman.

Profit for the year amounts to a whopping RO 1,196,640 of which RO 77,705 was profit retained as on January 1, 1988.

Because of the excellent performance, the Board of Directors has proposed a dividend of RO 720,000 for the year.

Increase

"Because of improvement in cargo movements, operating income registered an increase of 16 percent. In spite of increase in cargo, expenditure did not increase because of stringent controls on costs and the corporation exerted its efforts in promoting its performance with optimum utilization of its resources", Shaykh Hammud said in his annual report presented at the meeting.

The port is also to undergo extensive development in the coming years. Shaykh Hammud said the recommendations of the consultants retained to conduct a comprehensive study for the development of Mina' Qabu to increase storage areas and dredging to deepen the berths "are under active consideration."

The corporation has also successfully completed the internal road work projects at the residential cap in Darseit.

Computerized

The shareholders were also told that all systems at the port which had been computerized were working successfully. "The stock accounting and purchase systems have been additionally implemented during the year." The management is now planning to develop further systems in-house.

With regard to Omanization at the port, Shaykh Hammud said 77 percent of port employees were now Omani and "the statistics reflect the success of our training programmes. It has always been our cooperation's endeavour to Omanize job positions at all levels as far as possible without adversely affecting the port's operating efficiency."

Port Services Corporation SAO is registered as an Omani joint stock company. It was established by Royal Decree No 46/76 issued on November 17, 1976, amended by Royal Decree No 24/84 issued on March 11, 1984.

The corporation is this year paying RO 581,936, as a franchise to the Government of Oman. The payment represents an amount due to the Government as compensation for the use of utilities and facilities provided at Mina' Qabu, and for the exclusive right given to the corporation to act as the operator of the port in accordance with the terms of the Royal Decrees. The amount provided is not included in the profit of the company. [passage omitted]

Goat Breeding Gives Economic Boost
44000491b *Muscat TIMES OF OMAN* in English
13 Apr 89 pp 23-24

[Article by Cynthia Koller]

[Text] Salam Sa'id Mas'ud al-Sa'idi is one of a new kind of successful farmer emerging in the Sultanate.

With support and guidance from the Ministry of Agriculture and Fisheries, he's learning how to breed goats in an economic and productive way.

It was just last year that the goat multiplication project was launched by the Ministry. Initially, many farmers were wary. They were accustomed to traditional methods of grazing and breeding animals. But there were some who wanted to broaden their knowledge of livestock farming.

The Ministry selected 300 farmers in Northern Oman to take part in the project. Each farmer was given 10 goats—nine of them female. The project entailed giving the farmer a shed, seeds and equipment for irrigation.

Six months later many of those farms have recorded impressive breeding results—some have doubled in goat numbers.

"There was no production before," says Salam. "The goats were thirsty, sometimes there was no feed. Before when they were outside, you could not tell if they were sick or not. Now people help me and I know when they are sick." Salam's farm in Suwayq boasts a wealth of livestock—goats, chickens, lambs, turkeys. It also has modern techniques in breeding livestock.

"The project is excellent and it will help me a lot. It will also supply more goats and meat for the market. I'm very happy. I thank the Government."

Dr Nasir Zahir al-Mu'lly, Animal Production Specialist and the man in charge of the project, says the results of the campaign could have positive effects on the country's economy. "We have high hopes for this project. It could indirectly trigger a marketing system for animals."

Profit

Dr al-Mu'lly says the aim of the project is to try to teach farmers how to breed animals in a modern and economic way. "We tell the farmers they can get a profit out of the animals if they keep them in a modern way."

By "modern way", Dr al-Mu'lly means the replacement of traditional method of grazing and breeding with productive and economic means. "Before, the farmer would only sell animals when he needed something. We are telling farmers that by keeping the animals in a more modern way, they can make a profit."

In order to qualify for the project, the Omani farmer had to meet three conditions: His full-time occupation must be farming; he must possess two to three acres of land; he must possess some livestock.

If the farmer met the criterion, he signed an agreement with the Ministry binding him to the project and its accompanying advisory services.

The Government built each farmer an animal shed and supplied 10 goats. Low-interest loans were also arranged for proper irrigation systems.

Benefits

The benefits of the project are many—for both the farmer and the animal. By maintaining a shed, zero-grazing takes place. Therefore the goats are no longer exposed to the scorching sun, long hours of searching for food and the hazards of grazing near busy roads and intersections where accidents occur.

With the project, farmers concentrate on fattening up the goats. This is done by growing feed such as barley on the land and bringing the food to the goats. The project not only can increase a farmer's profits but also cut his costs. Because the goats are confined to the sheds, there is no need to purchase manure.

The Ministry began planning the project in 1987. By December of that year, local goats were being purchased from the Interior. For three to four months they were kept in quarantine at the Veterinary Quarantine Station in Assib, having received the proper vaccines and care.

The local breed was chosen because of its proven adaptation to the climate and country. The breed was initially studied at a livestock research station. "We checked their food intakes, growth, weight gain, mortality rate in pregnancy. We have a full programme of study at the station," Dr al-Mu'lly says.

Besides the quarantine and research stations, the project also has links to the Central Veterinary Investigation Laboratory [CVIL] in Rumais. The laboratory play an important role in the maintenance of healthy livestock in the country. It is there that samples of deceased or problem animals are studied.

The process of solving an individual farmer's problem is done through an organized network of livestock offices in the various regions of the north.

Enquiries

Dr Harib Said Al-Sumry, Assistant Director of CVIL, and his staff receive enquiries from the offices and advise the farmer on the appropriate action. Dr Al-Sumry shares Dr al-Mu'lly's optimism about the project. "It's just the start. This is a start for the farmer with the government backing him."

The project is also tied to a larger international effort to educate the farmer. The Ministry is working in coordination with the United Nations Development Programme [UNDP]. The joint effort is responsible for bringing three UNDP volunteers to Oman to train the technical personnel. The volunteers, stationed in Nizwa, are taught modern methods of irrigation and animal production.

Equipped with the valuable knowledge, the technicians are then able to educate the farmer. The training for both the technician and farmer is an ongoing process. Farms are visited regularly and about 20 percent are undergoing detailed monitoring. Everything from daily fodder intake to financial growth are recorded and studied. A training committee meets monthly to exchange ideas, submit progress reports and tackle any problems.

Pleased

"The response has been very good. The farmers are very pleased," says Dr al-Mu'lly. "I see a very big future for agriculture in the country, especially livestock."

To encourage the use of modern techniques in livestock breeding, the ministry organizes frequent meetings at project farms. This enables other farmers to see firsthand the benefits of the project. "There is an exchange of ideas with other farmers. It is more effective this way," Dr al-Mu'lly says.

By communicating with each other, farmers feel more at ease and are more likely to pick up useful farming tips, i.e., instead of buying more male kids, they will purchase more females.

The education programme has worked. Some farms in the Batinah region recorded at 220 percent growth in goats and the news of the successful project has spread. "Other farmers are coming into the office and enquiring about the project," Dr al-Mu'lly says. "And this is only the beginning. We may extend the project to other species of animals—beef, poultry."

But the project is just one piece of a larger picture with a larger aim. Says Dr al-Mu'lly: "Our overall aim is to try to increase the self-sufficiency of this country."

Agreement Signed To Build Road

44040283B Muscat AL-WATAN in Arabic
12 Feb 89 p 4

[Article: "Upon Signing Internal Road Agreement in al-Rustuq, al-Harithi Said: 19.5 Kilometers of Blacktop Roads Will Be Built at a Total Cost of 1.74 Million Riyals"]

[Text] His Excellency Shaykh Hammud Ibn 'Abdallah al-Harithi, minister of transportation, signed on behalf of the Omani government, an agreement to build internal roads in al-Rustuq Province to al-Batinah region. The authorized director of the Omani Contractors' Consortium Company signed for the contracting company.

The signing ceremony was attended by His Excellency Salim Ibn 'Ali Ibn Nasir al-Siyabi, undersecretary of state for communications, and a number of senior ministry officials.

This agreement has been concluded in implementation of the sublime directives of His Majesty Sultan Qabus Ibn Sa'id to build a new road system in the country as part of the development projects allocated for the roads sector in the third 5-year plan.

Upon signing the agreement, His Excellency Shaykh Hammud Ibn 'Abdallah al-Harithi, minister of transportation, said that this agreement includes the construction of 19.5 kms of blacktop roads in accordance with up-to-date building specifications. The road will be 11.1 meters wide: 7 meters for the main body and 4 meters for the shoulders. Moreover, the agreement calls for the construction of reinforced concrete rain gutters, for the relocation of electric and telephone lines and the construction of shields to guard against soil erosion. The total cost of this project is 1.74 million Omani riyals.

His excellency the minister of transportation emphasized that the current 5-year plan for the Ministry of Transportation road sector includes the construction of internal roads in some provinces in the various regions: in al-Qabil, Ibra' and Badiyah in the eastern region; in Nazwa, Izki, Manah and Adam in the interior region; and in 'Ibri in al-Zahirah region.

His excellency added that the current plan also includes the construction of other roads such as the Sama'il road project in the interior region.

His Excellency Shaykh Hammud Ibn 'Abdallah al-Harithi, minister of transportation, concluded his statement by underscoring the economic and social importance of road building, saying that this ministry's projects are in response to the sublime directives of His Majesty the Sultan to build and complete the new road system in the country to serve the Omani people and to provide the various services that permit them to assume their role in the development projects and to serve the national economy.

New Method for Water Development Discussed

44040283C Muscat AL-WATAN in Arabic 4 Feb 89 p 5

[Article: "Fog-trapping Project Results Encouraging. Large Amounts of Water Collected Through Project"]

[Text] The rightly-guided government of His Majesty Sultan Qabus Ibn Sa'id is directing all its attention to the conservation of the sultanate's natural and environmental resources. Spurred by its belief in the need to make optimum use of these natural resources, the southern region's Development and Environmental Planning Committee has begun a fog-trapping and precipitation project in the Qatan area in the Zufar Mountains that relies on the unusual weather in the Zufar region due to the rise of cold water currents at the bottom of the ocean to the surface during the fall season in the form of clouds which move south toward the Zufar Mountains during the monsoon season from the end of July until mid-September.

The fog-trapping and precipitation project is aimed at determining the importance of this resource by measuring relative water supplies obtained through this process in various mountain areas and at looking into the best ways to collect and store water for the benefit of the citizens and their environment.

His Excellency Muhammad Ibn Faraj al-Ghassani, secretary of the southern region's Development and Environmental Planning Committee, emphasized that the research, study and testing done in the fog-trapping project in the southern region have been encouraging inasmuch as massive amounts of water have been collected.

In an interview with the Omani News Agency, his excellency said that the first stage of research and study done at Qayrun Hirati on the fog-trapping project using rust-proof galvanized iron plates have shown that the precipitation rate through this method was 5 to 8 times greater than the rate of water accumulated from vertical rainfall, pointing out that whenever the level rises to 4 meters above sea level, the amount of water collected by this method is 20 times greater than the accumulated rain water supply.

He added that tests were also conducted in Qayrun Hirati to compare the properties and capabilities of various substances that can be used to collect cloud water and it has been determined that aluminum wire nets are highly effective and durable and have been used to collect over 50 meters of water for every square meter of net daily.

His excellency the secretary of the Southern region's Development and Environmental Committee said that the committee's technical secretariat will continue its research and studies at various mountain areas in Zufar on a purely experimental basis with a view to raising the efficiency of fog trapping equipment and upgrading its design in addition to testing its suitability for various sites.

Regarding a more extensive application of this method, he explained that this is outside the bailiwick and responsibility of the technical secretariat of the Southern Region's Development and Environmental Planning Committee and is indeed the responsibility of other government departments such as the Ministry of Agriculture and Fish for use in silviculture and the General Directorate of Water and Transportation for supplying mountain settlements with the water they need.

He added that some government offices or even ordinary citizens living in the mountains can make use of this technical installation to obtain their water instead of relying on tankers that transport water from water located several miles away, as is the case at present.

In his interview with the Omani News Agency, His Excellency Muhammad Ibn Faraj al-Ghassani indicated that the amount of water collected through this method depends on the properties and conditions of the site where the fog-trapping installations are located. At sites where clouds move slowly through nets, the amount of collected water is small, but when heavy clouds go through the net in a short period of time, the amounts of collected water are much greater.

His excellency said: "The large 210-meter net the Development and Environment Planning Committee has installed at Juhayf in the southern region has collected about 20,000 liters of water in 30 days during the fall of 1988, or over 500 liters a day. This kind of net may be suitable for providing water for home use in remote mountain areas where well drilling is very costly or adequate water output cannot be obtained."

He added: "If additional fog-trapping nets and water reservoirs are used, water can be collected in the fall for use in the dry season," citing as a case in point the successful tree-planting endeavor at the Qaftut site where domestic and imported saplings have been planted without the use of well water."

He said: "The fog-trapping newt have proven their feasibility and effectiveness and the project must go on," pointing out that a similar project is being implemented in Chile, South America, where fog is trapped from heavy clouds coming in from the ocean when they hit against the coastal mountains, thus corroborating the results we have obtained."

In answer to a question about the preliminary tests the committee conducted in 1985, his Excellency Muhammad Ibn Faraj al-Ghassani said that these tests proved that fog-trapping was possible through water precipitation and collection at all the southern slopes opposite the Zufar Mountain, but greater amounts have been obtained from higher elevations toward the peak locally known as "al-Qatan."

He explained that this area is distinguished by being a pasture with small trees known as "Takshut" and "Saghut" and wild olive trees known as "Maytan" which are less common. He emphasized that, owing to the ample water supplies that can be collected in this area through the fog-trapping method, and in view of the critical need to plant saplings, the committee has focused its efforts on sites in al-Qatan area.

His excellency said: "The committee has determined the amounts of water collected through the fog-trapping method by using trees in the al-Qatan area. Results have shown that a single tree at the Mazrub site in the Shaybub region, al-Qara' Mountain, was able to precipitate 40,000 liters of water in the fall of 1988, thereby filling the reservoir located at its roots with water over 2 meters high, thus underscoring the importance of tree planting at the mountain peak."

Regarding the major difficulties facing the project, his excellency said: "We are faced with the problem of droplet dispersion in strong and heavy winds which prevents the water from getting to the water basin. Therefore, the committee is studying the possibility of another another net behind the first one to catch these droplets when they disperse to augment the amount of water collected.

"Another problem is that the amounts of water obtained through fog-trapping at the foot of the mountains between the mountain and the al-Jarbib plain in Salalah seem small when the area is in critical need of water to improve the environment which is deteriorating due to the growing numbers of grazing animals and the many automobile tracks found in it."

To overcome such problems, his excellency said that "the United Nations Development Program is working to establish a relationship and a link between us and a similar project in Chile whereby we can exchange opinions, ideas and expertise to the mutual benefit of both projects."

At the end of the interview, his excellency expressed his hope that the committee will be able in 1989 to test the feasibility of collecting water by trapping the fog at the foot of the mountains to be used to irrigate trees at the small site the committee is preparing near 'Ayn Jarsis.

QATAR

Government Encourages "Wise" Use of Oil Resources

44040325 Doha AL-RAYAH in Arabic 22 Feb 89 p 7

[Article: "Oil and Gas: Wise Policy and Promising Future; Applying the Saying about Giving Proper Guidance Helps Prolong the Life of Our Oil Resources"]

[Text] Numerous achievements have been attained by Qatar's petroleum policy since the early seventies under the wise leadership of His Highness al-Shaykh Khalifah ibn Hamad Al Thani.

In 1974 Qatar took a leading step in the area of national ownership of oil resources when His Highness, the prince of the land, proclaimed his historic decree regarding Qatar's acquisition of all operations—management, production and investment—which have to do with the petroleum sector. This constituted the cornerstone of Qatar's contemporary progress in political as well as in economic areas.

The first organizational measures for planning and overseeing the development of oil resources which began 15 years ago involved the establishment of Qatar's General Organization for Petroleum. This organization was established to translate the prince's historic decree into concrete action. Since it is a state-owned organization, it was entrusted with the responsibility of developing,

marketing and exploring for oil. As a state-owned organization, its function is to work in all aspects of the oil industry: drilling wells, exploring for oil, and producing, refining and storing oil. The organization was also given the responsibility of selling and exporting all hydrocarbons which are derived from oil and natural gas.

Two Parallel Directions

The establishment of Qatar's General Organization for Petroleum was accompanied by the establishment of administrations for on-shore and off-shore oil operations. Interest in these operations and well-considered plans for them grew. Consequently, the investment base of the state's oil returns was expanded in two parallel directions.

Internal investments included the establishment of a large group of companies and basic industries which are capable of surviving and growing. Besides the country's revenues from oil, fixed assets were founded for Qatar's economy. These include the National Oil Distribution Company (NODCO); the Qatar Petrochemical Company (QAPCO); the Qatar Iron and Steel Company (QASCO); and the Qatar Chemical Fertilizers Company (QAFCO). The volume of the government's investment in these leading projects amounted to more than 2 billion riyals.

The foreign dimension of the investment policy included the state's contribution to numerous Arab and foreign companies that are highly regarded for their competence and have broad financial prominence. These include the Arab Company for Building and Repairing Ships, the Arab Maritime Company for Shipping Oil, and other companies that do business in the field of oil. Financial investments in foreign projects exceeded \$2 billion.

Proper Guidance Motto

The state adopted a balanced policy on the production and consumption of oil. The motto of proper guidance, which has been clearly applied, has helped prolong the life of the country's oil resources in a manner that is consistent with the state's wise instructions. The aim of these instructions is to prolong the life of the country's oil for the longest possible period. During that period appropriate alternatives to oil will be found and developed to diversify the country's economic base.

Besides the local proper guidance policy, the state has tried to continue upholding its commitment to OPEC. Qatar has tried to continue coordinating with OPEC and consulting with the OPEC countries. In general, Qatar's oil policy is governed by the idea of conforming and adhering to OPEC's pricing and production ceiling strategy. Qatar does that based on its total conviction in preserving the rights and interests of the oil producing states while also guaranteeing that the requirements and needs of the oil consuming countries are met.

The state of Qatar turned to processing and refining oil a long time ago so it can take economic advantage of the price differences between processed products and raw materials. For this purpose it completed construction of three oil refineries whose total operating capacity is 62,000 barrels a day. Since the third refinery in Musay'id became operational early in 1985, the state has been able to meet all local consumption requirements for all petroleum products. Qatar has also been able to export numerous refined products to neighboring states. In 1987 the volume of production exceeded 12 million barrels of oil, and production of oil derivatives, which were exported, exceeded 7 million barrels.

Last year Qatar averaged approximately 254,000 barrels a day in crude oil exports. This quantity is almost identical to the state's quota in accordance with the OPEC countries' production quotas.

To make use of its gas resources which are currently receiving much attention, the state of Qatar started earmarking a large part of its investments for industrial development plans. The emphasis that was placed on processing gas—associated gas as a first stage and natural non-associated gas [al-ghaz al-tabi'i al-munfarid] as a second stage—was one of the most important economic shifts in Qatar. Projects to exploit and utilize gas were established on a broad scale. Numerous projects were built that rely on gas for power, especially projects for manufacturing petrochemicals, power generating stations, water desalination plants, iron and steel plants, and aluminum plants. As a result, there was a significant decline in the quantities of gas that are burned in the air.

Gas From the North

There are two plants for liquid natural gas which are making maximum use of the country's oil and gas resources by utilizing the associated gas from on-shore and offshore oil fields. The maximum daily [production] capacity of both plants is 2,370 tons of propane; 1,750 tons of butane; 1,750 tons of natural gasoline; and 2,495 tons of ethane-rich gas.

The area of the gas field in north Qatar which was discovered in 1971 is 6,000 square kilometers. Its confirmed reserves are estimated to be about 150 trillion cubic meters. The project to utilize the gas from the northern field is considered the major event in the history of Qatar. Actual implementation of the project was started in May 1987. Implementation of the first phase of the northern gas field project was started to produce gas for local consumption by the power generating sector and by water desalination plants. Gas was to be provided to industries that rely on gas. Implementation of the first stage of the project will last approximately 3.5 years. Production is to begin early in 1991, and production capacity then will be 750 million cubic

meters of light gas [al-ghaz al-khafif] a day. This will be for the country's domestic needs. The plant will also produce 48,000 barrels of liquid hydrocarbons for export purposes.

Implementation of the first stage includes the construction of numerous buildings to serve the project. These include, for example, building the gas production complex in the flooded area (this includes 6 platforms and seven bridges) and laying principal pipelines for transporting and distributing the oil (these include 550 kilometers of pipes). In addition, these buildings include separation [fasl] and processing units in Musay'id which will become the center for processing and distribution operations.

Work on the first stage was started promptly and on schedule. The two platforms of (al-Mafar) were manufactured and installed, and the first well in that field was drilled. Approximately 50 percent of the architectural drawings for the project's installations have been completed, and a large number of agreements has been signed to execute the work for the project and purchase materials for the project's services.

In light of its reserves of non-associated natural gas in the northern field, the state of Qatar will become one of the largest gas exporting states in the foreseeable future. This will enable it to hold a notable international position as a state that owns a general source of energy.

The Qatar Liquefied Gas Company (Qatar Gas) was established in 1984 as a national company whose aim is to build and operate a liquefied natural gas plant in Qatar with a capacity of 6 million tons a year. The aim of the plant is to export surplus production to foreign markets. This company actively looked for opportunities to sell the liquefied natural gas which will be marketed in Japan, in the countries of the Far East and in western European countries as well. There are numerous studies underway on several projects to establish major export industries that would use natural gas and produce products like methanol, aluminum, and petrochemicals for export.

New Laws Issued on Industrial Projects

44000486a Doha GULF TIMES in English
12 Apr 89 p 3

[Text] The Emir His Highness Shaykh Khalifah Ibn-Hamad al-Thani yesterday issued Law No 11 for 1989 on coordinating and encouraging establishment of industries in the member states of the Cooperation Council for the Arab States of the Gulf.

Provisions of the law will be applied to every industrial project to be licensed in Qatar and whose capital is more than SR20mn. Projects of strategic, security, military, mineral and export nature will be exempted.

According to the law the owner of any industrial project should obtain a licence from the Minister of Industry and Agriculture in accordance with provisions and conditions provided in the Law No 11 of 1980.

According to the law, a committee on industrial development provided in Law No 11 of 1980 should consider, before recommending of licences, the technical, financial and economic feasibility studies of the project and that it (the project) is compatible with the principles and aims stipulated in the GCC [Gulf Corporation Council] unified strategy for industrial development.

According to the law, the Ministry of Industry and Agriculture will provide the GCC with detailed information about the licences issued for new industrial projects and the expansions introduced to existing projects. The information should also include all details relevant to the production and operational capacity and any other details in accordance with the relevant forms prepared by the technical committee set up by the GCC Committee on Industrial Cooperation. These steps should be completed in six months.

The ministry will inform the GCC secretariat regularly about the start of production in licenced projects.

A licence could be cancelled two years from the date of issue by the Minister of Industry and Agriculture if the project's owner does not take serious steps to carry it out. This period could be extended by a ministerial decision.

The law gives the GCC Committee on Industrial Cooperation the right to interpret the rules for coordinating and encouraging industrial projects in the GCC and informing Qatar about the explanations it issues in order to take necessary procedures to issue a law.

These rules will be enforced retroactively from last month and will be reviewed by the GCC Committee after five years.

This law annuls any other provisions involving contradiction and will be issued in the official gazette.

Airlines Plans To Buy New Aircraft

44000486c Doha GULF TIMES in English
11 Apr 89 p 12

[Text] Bahrain: Gulf Air said yesterday it would pay \$1bn for 18 new Boeing and Airbus aircraft over the next five years, nearly doubling the size of its fleet.

Gulf Air spokesman 'Abdallah 'Abd-al-Karim said the deal would comprise 12 Airbus A-320s and six Boeing 767-300s.

This would be in addition to four Boeing 767-300s recently bought by the airline and would boost the number of aircraft in its fleet to 41 from the current 25.

Two ageing TriStars are to be withdrawn between April and June 1989 and the airline would take an option on the purchase of a further 18 aircraft, six Airbus A-320s and 12 Boeing 767-300s, 'Abd-al-Karim said.

The new purchases would be financed by loans but details had yet to be worked out, he said.

Bahrain's Development and Industry Minister, Yusuf al-Shirawi said Gulf Air's board of directors had approved the purchase.

The airline is owned by the governments of Qatar, Bahrain, Oman and Abu Dhabi.

The company began its operation with four aircraft in 1974.

Meanwhile, the airline board ended its Doha meeting, held under the chairmanship of Minister of Transport and Communications His Excellency 'Abdallah Ibn-Nasir al-Suwaydi. It was also attended by the communications ministers of the UAE [United Arab Emirates], Bahrain and Oman.

Gulf Air managing director 'Ali al-Malki said the ministers discussed a bulk of issues relating to company's activities, past and future.

Al-Malki said the board approved in principle a plan for modernising the company. It also approved the purchase of simulators for the fleet.

Later, the participants left Doha for their respective countries.

SAUDI ARABIA

Joint Saudi-Chinese Investment Firm To Be Formed

44000494 *Dubayy KHALEEEJ TIMES in English*
7 Apr 89 p 13

[Text] Peking—China and Saudi Arabia have signed an agreement to form a \$80 million trust and investment company in a predominantly Muslim region near Mongolia, the New China News Agency reported.

Al-Barakah-Ningxia Islamic International Trust and Investment Co. will be 40 percent-owned by the Chinese partner and based in Yinchuan, the capital of Ningxia autonomous region in northwest China, the agency said.

The new company would promote financial and economic ties "between Islamic regions," it said. China and Saudi Arabia do not maintain diplomatic relations as Riyadh continues to recognise the nationalist government in Taiwan.

The company is to start operating this year and envisages setting up affiliates in other Muslim countries, the agency said.

Diplomats in Washington said in November that China and Saudi Arabia had agreed to open trade offices in each other's capitals. This followed revelations that Saudi Arabia bought medium-range missiles from China in 1986.

Mineral Resources, Mining Activities Described

44040311 *London AL-HAWADITH in Arabic*
3 Mar 89 p 52

[Article: "Saudi Arabia Embarks on Long-Term Strategy to Develop and Industrialize Precious Metals"]

[Text] This week Saudi Arabia joined the club of yellow-gold-producing countries. The land of plenty to which divine providence has granted special privileges extends its generosity to all fields.

For after black gold and high-grade wheat, the blessed earth is unfolding new treasures, namely yellow gold, which is now in production, and other metals that augment the Saudi national wealth and boost the kingdom's income, promising to deluge the country with yellow gold and rare precious metals after black gold.

The Keeper of the Two Holy Places, King Fahd Ibn-'Abd-al-'Aziz, is personally overseeing ongoing research and encouraging mining efforts so that the kingdom may establish itself among the ranks of great powers that have a variety of natural resources which can be employed to achieve prosperity, progress, and an advanced standard of living for the Saudi people.

Production at the Mahd al-Dhahab mine is growing while work is under way in (al-Shukhaybirat) area where a second mine is scheduled to open soon.

The Saudi Ministry of Oil and Mineral Resources has awarded the General Petroleum and Mineral Organization (Petromin) a 30-year concession to mine for gold and basic associated mineral ores found in the Mahd al-Dhahab area. According to this concession, Petromin will mine and market gold in commercial quantities.

This project is considered one of the fruits of the petromineral strategy instituted at the direction of the Keeper of the Two Holy Places, King Fahd Ibn-'Abd-al-'Aziz, who outlined its main features when he opened the Mahd al-Dahab mine on 30 April 1983, saying:

"We depend, primarily and above all, on God and not on wealth and the like. God has given us something greater than mineral wealth in that He made our country the cradle of Islam and has honored this nation by making it a model for Islam and Muslims.

"Many minerals have been discovered, and the depths and quantities of all the various minerals we could possibly need have been determined. The government has taken great interest in exploration companies and in agriculture as well. It is to our good fortune that these discoveries are not limited to anyone in particular. Our young people have been educated and their level of competence is equal to any geologists in the world, be it in America, Europe or any other place. We have now seven universities turning out mature young people." He reaffirmed that the Saudi people's wealth is the Islamic faith on which we must depend after God and that all these discoveries have been possible only because this country is the cradle of Islam and adheres to its Islamic faith even in the hardest and worst of times.

Observers of the kingdom's land throughout the country can see for themselves scores of mineral resources and the kind of geological diversity the kingdom enjoys. In the Arabian Peninsula's al-Dir' al-'Arabi region, mineral deposits in metamorphic and igneous rocks can be found throughout the area, be they metallic such as gold, silver, copper, lead, zinc, iron, etc., or nonmetallic such as marble, manganite and glass sand. The rest of the kingdom's land has evaporite and sedimentary mineral deposits such as salt, gypsum, phosphate, bauxite and so forth.

The kingdom has a long history in mining going back more than ten centuries. In the year 2 AH there were more than 350 sites for gold, silver, and other minerals. More than 150 sites for gold and silver mines have been identified. The Saudis returned to gold mining in 1936 during the reign of King 'Abd-al-'Aziz Al Sa'ud, God rest his soul. Production at that time amounted to over 0.75 million ounces of gold and 1.1 million ounces of silver. The prospecting company, however, decided to stop production due to the increasing depth of the ores which drove production costs up while gold prices at the time remained unchanged.

Prospectors, however, uncovered many natural mineral deposits containing several kinds of precious stones. For it is easy to find several rock strata containing minerals that look to the naked eye like crystal veins shining with breathtaking beauty. All one needs to do is open one's eyes wide and be familiar with the principles of geology. Therefore, a comprehensive survey of the mineral resources found in the vast land of the kingdom was conducted on scientific bases with results that surprised interested circles all over the world, insofar as they carried propitious signs and opened the doors to new fields of activity and production. The Ministry of Petroleum and Mineral Resources recently announced that, at the direction of the Keeper of the Two Holy Places, Petromin has reached an agreement with the Swedish mining company, (Poliden), to exploit gold ores found in (al-Shukhaybirat) area located between Riyadh and

Madinah. Exploration work undertaken by the two partners indicates that available reserves will make it possible to produce 600,000 tons of ore a year, whereas it has been decided to produce 1,500 kg of gold and silver a year, beginning in 1991.

This is the second mine to be established in the kingdom after the Mahd al-Dahab mine went into actual production at the end of 1988. Computations indicate that the mine contains 1.2 million tons of reserves with an average gold content of 26 grams per ton and a silver content of 92 grams per ton and that its life expectancy is 12 years at an average of 400 tons a day. The mine is in the process of being developed by drilling 7 km of tunnels and openings and extending the necessary utility lines, including water, electricity and compressed air, in order to get to the bottom of the mine to follow the precious gold veins. The quantity of rock produced through this process is about 250,000 tons and the cost of the development projects amounted to 168 million dinars, including the construction and outfitting of work sites, warehouses, the administrative area and the housing area for employees and workers, in addition to the gold casting and cyanide treatment plants. The mine employs state-of-the-art scientific techniques to extract the gold ore.

A few days ago, the minister of petroleum and mineral resources, Hisham Nazir, visited Wadi Shawas in the 'Asir area to inspect work done on the north Hajar and south Hajar formations where tests are under way to determine the recoverability of gold from its deposits. Minister Hisham Nazir took with him the first test sample from the area to present to the Keeper of the Two Holy Places to give him the good news of a third gold deposit in the kingdom. He said that the kingdom will henceforth conduct further research to explore and determine the quantities of producible ore, thereupon moving to the production stage. Minister Nazir praised Saudi youth participation in all phases of various mining projects, pointing out that geologists working at the General Directorate of Mineral Resources have discovered for the first time gold deposits in the oxidized sulphuric mineral ore stratum in al-Hajar Mountain tentatively estimated at about 6 million tons at a rate of 3 to 4 grams of gold per ton.

Futhermore, tungsten ore, known as the ore of the 20th century, has also been discovered. This mineral needs a temperature of 3410 degrees Celsius to melt and is so hard that it is essential for many sophisticated industries. It was discovered in the Bi'r al-Tawilah area.

Another discovery is the quartz ore which has been found as loose crystals and in the form of veins in rocks. This beautiful crystalline quartz is found in the Jabal (Miskah). It has been discovered that some crystalline quartz found in one of the areas contains liberal and pure amounts of gold ore.

Olivine ore has also been found in the form of clusters scattered over the (al-Harat) flats, in the (Makhrutiya) volcanic mountains in particular. A single blow with the hammer is enough to reveal its brilliant translucent crystals.

Emerald stones have also been found in many areas of (al-Harat), in addition to iron ore discovered in huge deposits in Wadi Fatimah near Mecca and in Wadi al-Sawawin. Zinc has also been found in commercial quantities. Certain forms of zinc mixed with the gold-colored chalcopyrite have been found in the volcanic rock areas and copper has been found in Sayyid Mountain 130 km from Madinah. Other deposits have also been found in an area located 35 km north of Najran. In both of these sites, the ore is mixed with volcanic rock and preparations are under way to exploit these mines using state-of-the-art techniques.

Add to that scores of other minerals discovered, such as uranium, a strategic ore and element found in the Qaryah area 80 km southwest of the city of Tabuk. Six million tons of rare element reserves including barium, thorium, titanium and others, have been found in the (al-Atawilah) area, and close to 23 million tons have been found in al-Sa'id Mountain. Silver reserves of 301,000 tons have been discovered in about 250 locations in al-Dawadimi and in the Samrah area which has a reserve of 866,000 tons with a concentration rate of 232 grams per ton for silver and 2.5 grams per ton of gold.

Copper reserves of 29 million tons with a concentration rate of 2.5 percent copper have been found in Mount Sayyid 30 km from Jiddah and 17 million tons in the al-Masani' area. Zinc has been found in open mines in the (Khunayfah) area 190 km from Riyadh, with a reserve of 14 million tons and a concentration rate of 5 percent zinc and 36 percent copper, and in the southern area of al-Shu'ayb with a reserve of 1.7 million tons. Tin reserves of 11 million tons, as well as phosphate, bauxite (aluminum ore), diamond, potash, ornamental stones, nickel and chrome, have been discovered in several areas in al-Silsilah Mountain and (Bid'a al-Jammalah) area. On the western shore of the kingdom, 24 precious metal and gem areas have been discovered in an area of 7,500 square kilometers along the Red Sea in the Wajh area.

Deputy Minister of Petroleum and Mineral Resources Ahmad Khubayri told AL-HAWADITH that now that the ministry has completed a major phase of research, exploration and discovery of hundreds of different metals, the door is open to the private sector to invest in mining. Geologists of the General Directorate of Mineral Resources has put out geological maps of different scales covering the 600,000 km of al-Dir' al-'Arabi. The directorate has also set up extensive factfinding and exploration programs aimed at arriving at actual estimates of available and possible reserves of nonhydrocarbon mineral resources and thereafter at determining the demand for industrial minerals in the kingdom and estimating

local production costs. This is in addition to the ongoing extensive survey of minerals and industrial material. Accurate computations have also been made to evaluate the ore and determine its economic feasibility by studying the international market and the costs of recovery, buildings, and roads necessary for the project. The kingdom's landscape has been photographed from the air to allow geologists to prepare an accurate study. If the geophysical and chemical survey yields encouraging results, underground drilling sites will be marked out to determine the quantity and range of the ore.

At the direction of King Fahd, the kingdom has offered full financing to the Arab geological map project which the Arab Organization of Mineral Resources is implementing for the whole Arab world. This will make it possible to draw seismologic (haraki) and (mikaluji) charts and to build a geological and mineral data bank to provide Arab scientists with all the information they need about Arab minerals. In this way 5,000 mineral deposits in the Arab world have been identified.

Moreover, the next 10 years will witness a major development in the exploitation of Saudi minerals. A mine is under preparation in the (al-Naqirah) area to extract silver, gold, zinc and copper. In Wadi al-Sawawin, iron ore condensation and gangue separation facilities have been built to produce condensed iron granules for use as feed for the iron and steel plants SAPC has built in al-Jubayl. Petromin is conducting studies on zinc ores found in the area of (Umm al-Shalahib) and on the mining of rare metal ores found in the northern part of the kingdom. The kingdom has taken three key steps in this regard:

- Utilization of ores with established economic feasibility.
- Preparation of an integrated program to train Saudi personnel in various specializations and to prepare technical and administrative cadres.
- Saudi Arabia is providing several facilities to encourage the mining process and develop and upgrade mineral wealth in accordance with Fahd's strategy that provides for:
- Granting long-term easy loans to companies subscribing to the general investment fund equal to twice the amount of capital paid by partners.
- Income tax exemption of net profits realized by foreign partners for 5 years as of the beginning of production and sale.
- Freedom to transfer capital outside the kingdom without conditions.
- Exemption of project equipment from import and export customs fees with the possibility for re-export.
- Provision of industrial zones supplied with all the various basic requirements, such as water and electric power at reasonable costs to make it easy to set up auxiliary units.

'Asir Power, Desalinization Plant Described
44000495 Jeddah ARAB NEWS in English
23 Apr 89 p 2

[Text] Abha, April 22 (SPA)—The total cost of 'Asir desalination and power plant, one of the biggest on the Red Sea coast, has reached SR2.7 billion, according to a report released by the Saline Water Conversion Corporation (SWCC).

The plant supplies 96,360 cubic meters of water and 128 megawatts of electricity daily. Its capacity can be raised by 20 percent in the future. The facility will meet the water requirements of people in Abha, Khamis Mushayt and Uhud Rafidah.

Located between the towns of al-Darb and Shuqayaq, 115 kilometers west of Abha, the project comprises a water desalination plant, an electricity generating unit, a water transportation system and accommodation facilities.

The desalination plant includes a water intake canal, sea water pump house, brine discharge water drainage, three water tanks which preserve fresh water for 20 hours and a platform for loading and unloading fuel for the plant.

The report said the plant's equipment and facilities are made of materials which resist corrosion caused by sea water. The water is pumped from the sea through corrosion resistant pipes to water tanks.

The electricity generating plant comprises two back pressure steam turbine units. There are two boilers each with a capacity of 105.4 kg per second of 379 tons per hour of steam at a temperature of 496 degrees Centigrade.

On transportation of water from the plant, the report said the corporation has established a 102-kilometer steel pipeline with a diameter of 42 inches, a 35-kilometer pipeline of 36 inches to supply water to tanks in Addarb.

The multi-billion riyal project also includes eight tunnels through the Sarawat mountains with a length of 10 kilometers and three concrete bridges to carry water pipes. It also includes three large water tanks, each with a capacity of 50,000 cubic meters.

The accommodation facilities located near Abha water tanks include two villas, two apartment buildings, a mosque and maintenance workshop. They cover an area of 1,750 square meters.

SUDAN

Al-Turabi Calls Peace Initiative 'Second Camp David'

45040302 Khartoum AL-SIYASAH in Arabic
20 Mar 89 p 3

[Report of interview with Dr Hasan 'Abdallah al-Turabi, National Islamic Front [NIF] general secretary, by 'Umar Isma'il: "Return of First Coalition Is Strongest Possibility, NIF Has Firm Position, Will Not Participate in Next Government"; date and place not given]

[Text] The NIF's [National Islamic Front] entry into the previous national unity government and its participation in governing elicited varied reactions inside and outside the Sudan. The NIF made the decision to participate after many internal deliberations emerging from institutional and organizational activity. The NIF's recent decision not to participate in the government came in the wake of political developments that preceded and followed the signing of the government's interim program. The NIF made its decision to withdraw because the program ignored the NIF's call for approval of the implementation of the Islamic Shari'ah.

Dr Hasan 'Abdallah al-Turabi, NIF general secretary, commented as follows:

"Our concern is that our positions be clear and that the reasons for them be as firm as public opinion deems them to be, lest people suspect us of following a craving for being in government.

"We frequently entered into commitments and relations. Motives arose that prompted us to criticize them, but these were not clear and readily observable.

"Our decisions are institutional. Thus, reasons for them must be charted in order for the decision to be made and announced.

"The last government, the one in whose operation we participated, came after give-and-take. It was a very difficult decision, because there were many warnings that entry would be useless. But as soon as motives for entering preponderated, we were faithful to the unity compact and maintained ministerial solidarity. We abstained from the division of spoils and emerged unjustly treated. We did not promote any crisis. We performed with discipline, participating effectively in decisionmaking. We tried to bestow effectiveness on the government, but were always defeated by other groups.

"Now, the reasons for which we entered have left and made us leave. The reasons are clear. There is the Islamic viewpoint, the center around which the NIF coalesced. The Islamic religion is a constitution for the nation, and it is no longer served by participation in the government. Then there is national independence. We are advocates of authenticity in program, laws, and party performance.

Then there is the idea of defending national security and firmness in defending national existence. We concluded that party maneuvers had drawn us all onto a path of surrender that would never lead to peace, but would instead bring us back to defense in circumstances more difficult than at present. The decision to leave the government is authorized and definitive, and we will proceed energetically and sincerely to implement its dictates. Many brothers blame us for not having regarded the country's circumstances. But we have regarded the country's highest interests, not its casual interests and the demands of politics. We concluded that our presence would save nothing. Our assessment was that the field had filled with power centers. In our mind, there are a number of possibilities for the Sudan's destiny. Whatever happens, the NIF will be able to present its Islamic design to save the Sudan and guide its course forward."

[AL-SIYASAH] Now that the NIF has refused to sign the government's interim program, because it does not include approval of Shari'ah law and approves "surrender," expectations are for the Ummah Party and the DUP [Democratic Unionist party] to work together to form the next government with some southern and nationalist forces.

This option would seem to mean a return to the first coalition, with a few decorations, such as giving a role in the government to the trade union confederations. As political consultations on forming a government still continue, how do you see the way out of the political crisis?

Dr al-Turabi commented and answered as follows: "Return to a coalition between the two traditional parties and a southern group is one of the biggest possibilities, particularly since the DUP looked for trade union, external, and other alliances only when it believed that a strategic pact had been cemented between the Ummah and the NIF.

"Now that the NIF has withdrawn, the DUP can feel at ease. It can forego casual alliances, and return to the theory of 'agreement of the two sayyids.' Indeed, the first visit to Sayyid al-Sadiq al-Mahdi's house had to do purely with the Khatmiyah and did not go into party policies.

"But we have already seen the experiment of 'disagreement/coalition' in the past. Ever since then, the split between the two parties has widened on the local level because of the behavior of the DUP, which abandoned the unity agreement in the hour of hardship. It has become clear that in the pursuit of political gain the DUP has no regard for the alliance. On the foreign level, the two parties are widely split between Egypt and Libya. Therefore, one should not expect the coalition to achieve even part of what it realized in the previous experiment, in which it stumbled time after time.

"Next, the Ummah Party might turn to governing by itself (except for some southerners) and hope that the NIF or the DUP will hold back from it the confidence vote that would topple the government—the government of a parliamentary minority. It would hope that either of the two parties, while maintaining its right to criticize the government, would pledge itself not to vote positively against it. This is an arrangement that will necessitate the government's restricting itself to noncontroversial policies, which consequently will be weak and acceptable to everyone. This was the bane of past practice, which led us to the government's losing respect in the face of pressures and to its inability to settle decisions and national options.

"The third option is for us to return to the concord formula. However, between that formula and us stands the problem of the Shari'ah and peace policy. Disagreement on these things has become a wide split. Indeed, confidence has weakened in the credibility of the commitment to approve Shari'ah law. The result of the peace initiative has become manifest. It has led to a diplomatic siege of the Sudan, successive military defeats, and a collapse of the political entity. Those who opposed the agreement will only increase in their rejection of it and its destructive effects that portend even greater danger. Those who formulated the agreement are forced to persist in it or commit suicide!

"The other options lie outside the democratic and constitutional context. They include the possibility of a government of trade union and leftist factions united only by love of power, unable to be serious about anything or move the Sudan forward toward anything. Since it will have bypassed constitutional channels, it will tempt its opponents to treat it by similar rules of the game and will arrive at the same end as the other possibilities. One possibility would be the undisguised military formula, as with a complete coup insinuating itself over us, carrying officers to power and also to bear responsibility. Or they might insinuate themselves over the system and stand as its patrons and regents, so as to exercise authority without bearing responsibility. Under those conditions, the people of the Sudan might come to feel at home with the new situation, which would become established because of their recent acquaintance with corruption and failure and because of their exasperation with anarchy and instability. But before long, they will return to demanding democracy. Tensions, uprisings, and revolutions will arise, and the vicious cycle that has attended the Sudan without a break since independence will take place—military rule, followed by free party anarchy. The masses will reject it. A revolution will take place and hand over charge of the transition to a good personality and a patched up transitional government which can only return the trust to the people to organize elections. Passion for money and clannishness will make sport of them, and, [as the proverb says], 'Halimah will go back to her old ways.'"

[AL-SIYASAH] What is the way out of this cycle you have mentioned and that you do not think is in the interest of the Sudan's stability and growth and the good of its people?

After a moment, Dr al-Turabi said:

"The way out of this cycle is that there be developments in the national political arena that alter the party and institutional structure of the society, deepening in it the causes of strength, stability, and unity. When these developments, which call for patience, are completed, the people of the Sudan can hope to realize firm security, along with a decent living, freedom, and democracy. This is a difficult equation. Most developing societies have despaired of it and have prioritized advancement and security, at the expense of freedom and democracy. The Sudanese people are a great, ambitious people, but there is a deficiency of the work necessary to realize their ambitions!"

[AL-SIYASAH] A controversial subject on the Sudanese scene is how to achieve peace. The peace initiative that the DUP signed has brought about great difference in viewpoints between the political parties, some supporting it, while others oppose it or have reservations. The NIF calls the agreement capitulatory. What are the possibilities for achieving peace in the Sudan and ending the war?

Dr Hasan al-Turabi continued his talk and answered as follows:

"A maxim of policy in the world is that inducement and intimidation go together. Power is necessary for order in life, but is not enough for the progress of life. Gentleness is necessary for harmonious relations, but not enough to keep them in good order. Anyone who thinks that peace can be realized in the Sudan by indulgence and falling all over the rebel movement is dreaming. The movement has a harsh ideological direction. It only knows how to strike at its enemies. If it tilts toward peace with them, it only means that it is waiting for a convenient opportunity to pounce on them when they are at ease. That is the way of many movements in Africa that have the same origin as the Sudanese rebel movement. We therefore need a strong defense that will prevent the rebellion from attaining its goals by war and force it to turn from the battlefield to the negotiating table. We neither can nor should rely on force alone to crush this movement in the South. However, we need a serious defense that will achieve sufficient military victory, guarantee security to the land and honor, save citizens, and render everyone secure from this terrible human tragedy that is manifesting itself in hunger, destruction, eviction, and death among our brothers in the South. Yet we have not been earnest in seeking peace through intensive diplomatic activity that comprehends the international dimensions of the rebel movement, nor have we been earnest in defense through resolute support of the Armed Forces and turning the country, with all its priorities and

energy, toward the task of defense. Instead, we have let our fighters down. We have let them down by insufficient equipment and by insufficient spiritual and material preparation.

"Now the Americans, who settled the rebellion of their own South by brute force, have come to suggest capitulation to us and to make us do so by pressure. And the Arab brothers, in whom the last elements of resoluteness in the face of Israel have died, have come to teach us the new capitulatory realism and to prepare a second Camp David for us. And the Africans, whom we have seen resolving their own regional conflicts by force in West and East Africa, have come to entice us by a lax position that will never realize peace, but will only transfer the elements of the conflict to a subsequent period, which, it is to be feared, may be more violent, inflict more pain, and lead to tragic horrors on the entire Sudanese scene.

"Let us watch what a month of truce and quiet will produce—a month in which the rebel movement procures the food it needs for the coming months, with great quantities of Israeli weapons that are coming to it, and with troop concentrations suitable for its plan of attack after the truce, if the war is resumed, or for its plan to break faith with the capitulators.

"Whatever happens, the time has not come for a peace originating with Ethiopia. Its time has not come, because the Ethiopian leaders openly desire to make Sudanese peace conditional on Ethiopian peace. The most successful plan for peace is for the people of the Sudan to unify their internal front, mobilize their national energy, and push the rebel movement toward talks. They should prepare for it at the bargaining table ample and attractive ground for justice in the division of authority and resources and freedom of culture and religion. But that does not appear to be close at hand!"

[AL-SIYASAH] Whenever a crisis erupts in the Sudan or some episode takes place, the Arabic press handles it sensationally, with a great many errors completely at variance with reality and that the people of the Sudan consider an insult and clear misunderstanding.

Dr al-Turabi commented: "If you read the Arabic press, you find attack, bias, or negative treatment of what happens in the Sudan. Don't blame them too much for the outward appearance of their articles: the Arab world is still dependant upon the Western world in many of its political attitudes, and the Arabic media are nothing but an extension and reflection of Western media. Our Arab brothers see us through the eyes of the foreigners. If the foreigners become angry with them because of the tendency toward strengthening Islamic roots and national independence, some of our Arab brothers grumble against us subserviently. One might say that the Arab brothers have abandoned the Sudan, a country whose Arabs belong to Islam in Africa, to be the target of whatever it is subjected to in their stead. The Sudan shields them from the arrows aimed at them. However, if

the Sudan falls, those arrows will penetrate into what lies beyond the Sudan, and the hatred for the Arab world will move to the other borders of the Sudan.

"The problem is that we on our part are unable to reach our Arab brothers and bring them the message of a Sudan beleaguered and of its need for aid and support. On the other hand, Western pressures have prevented some of our Arab brothers from helping the Sudan; for the West has an interest in destroying the Sudanese identity. Some Arabs lack the strategic view of these critical issues. They are preoccupied by accidental political disagreements and personal quarrels between them and the Sudan. Or some of the Arabs turn their attention to the conflicts that have exhausted them and set their strength against each other. Thus they have become divided into axes and blocs that have isolated the Sudan."

AL-KHARTOUM Comments on Formula of New Government

45040287A Khartoum AL-KHARTOUM in Arabic
6 Mar 89 p 3

[Article by Muhammad Nuri al-Amin under "Ideas" rubric: "Observations After Signing Charter"]

[Text] There are indubitable signs of a relaxation of the current crisis. The political parties, except for the National Islamic Front and Muslim Brotherhood, have signed a draft interim program for the proposed salvation government. The draft program specifically includes provisions to preserve constitutional legitimacy and the existing liberal democratic system. Other provisions concern solving the economic crisis and attention to production problems in accordance with decisions of the economic conference. There are provisions concerning commitment to a balanced foreign policy avoiding alignments. Last but not least, the program contains provisions about preparation for the next elections, which are to be held under new laws that guarantee the representation of the modern forces.

Some observations are in order after the signing of this important charter. The first observation is that we welcome this agreement, thanking God for having spared us the evil of civil strife, fighting, and division. During the last 2 weeks, our country has faced extremely critical and difficult conditions that quite possibly might have imperiled its existence. If we may add something here, it is that we pray that God will enable the two parties that abstained from signing this charter to review their position and join the caravan. It cannot be said that everyone who signed the charter was guaranteed realization of all his hopes and aspirations. Nor can it be said that all the signatories were certain that balmy winds would blow in the period after the signing. All that happened was that the overwhelming majority decided to back the country away from the brink of the abyss. They decided to agree to a minimum extent and to sit down later to face the difficult tasks that await them all. Each political force

must show everyone that its interest in the country comes before its interest in its own program. True, each force's program may represent its approach to the country's welfare; but when everyone reaches an agreement, whoever stands outside the consensus must ask himself why he is taking such a position and what the country gains from his position.

The second observation is that the charter contained only two new points: official acceptance of the Sudanese peace initiative concluded on 16 November 1988, and preparation for general elections under new laws that guarantee representation of the progressive forces. As for the remaining problems with which the charter deals, we have dealt with them previously in more than one document, charter, and program. Sadly, we must confess that we have finished almost nothing in the way of implementing these things since the uprising. This demands that we turn our attention to the fact that our continuing inability to implement what we agree upon is always the real source of danger to security and stability. The implicit meaning of the present charter is that we should hasten to form an inclusive government, so that we can quickly implement what has been agreed on. We fear that days, even weeks, may pass before this government sees the light. We fear that its formation may leave so much exasperation, bitterness, and disappointment in some people that they may be led to try to minimize their role in hidden revenge for their inability to achieve the government makeup that they wanted. We fear that the government's attention may be taken up by persons, rather than by the principles and political goals that await implementation by those persons.

The third observation is that the next government, whoever its head and whoever its members may be, will be confronted with immense responsibilities, with the future of the Sudan for a long time to come depending on the performance or nonperformance of these responsibilities. The problem of peace, certainly no easy matter, has more than one side and is surrounded by more than one danger. The economic problem requires decisive, resolute, and immediate measures, so that the toiling classes will feel that the classes that do not toil have finally begun to share with them in building the country by their toil and sweat—and by their wealth. If, after the past days of bitterness, it becomes clear to people that the new government is shutting its eyes to corruption and corrupt people of all kinds and in all places, people will finally lose hope in that government and in the political framework within which it operates, even if it is a liberal democratic framework which people paid dearly to regain and protect. The security problem demands from the government and everyone a high degree of consciousness and alertness. It demands that the leaders of militias demonstrate the sincerity of their patriotism and their good intentions by dissolving those militias immediately and handing over their equipment and ammunition to the Armed Forces. It has now become clear that the people want their Armed Forces to be the only protective shield from enemy arrows at home and

abroad. It is also apparent that the Armed Forces are capable of crushing any militias in a little while, whatever the strength of the militia, and however proud its leaders may be of it. The foreign policy problem demands that the government, immediately upon formation, strive to extend bridges again to brothers and friends in the region and the world—friends we recently lost for reasons and causes having nothing to do with the higher national interest. In this regard, we hope that the next prime minister, whoever he may be, will overturn the decision cancelling the prime minister's visit to the sister country of Egypt. We hope the next government will send top-level envoys to explain our new foreign policy direction, try to eliminate misgivings, and clarify the Sudan's immediate requirements not only for the defense of its security, but also for the defense of the security of the entire region from the many dangers that threaten it as a whole.

The fourth observation is the importance of stability in the center in Sudanese policy. We hope it has become clear now to the Ummah Party that affiliation to the center, which the party leader has continued to reiterate, demands much that the party was not able to reflect in its recent views and alliances. The center is the area of moderation in domestic and foreign policies. Moderation in domestic policy requires setting programs in which all political, social, ethnic, religious, and cultural groups see themselves. Moderation in foreign policy requires setting a foreign policy that serves the interest of the country and avoids alignments by action, not by word. In recent times, our policy has reflected a leaning toward a particular alignment in the region, thus causing us to lose the friendship of active and important forces. Our loss of their friendship has been reflected in the difficult economic and security conditions the country has encountered recently.

The final observation is that we seem to be travelling the road of establishing a liberal democratic system relevant to the circumstances and conditions of the Sudan. It has become apparent that the trade union movement in the Sudan is a mature movement. It has also become apparent that on more than one stand and issue this movement can express what is fermenting in the mind of the individual Sudanese, more than any other political or nonpolitical organization to which that individual belongs. It has become apparent that this trade union movement does not want to sweep the political parties out of existence and take their place. On the contrary, it is doing its best to coexist side by side with those parties in peace and harmony. In a related matter, it has become apparent that we have Armed Forces aware of their position in the constitutional framework, conscious of their role in the national structure, strongly believing in the liberal democratic system approved by the people, and fully capable of drawing everyone's attention to the dangers that face that democratic system and to the need to confront and eliminate them, so that the building does not collapse upon everyone. A trade union movement and Armed Forces of such character cannot be ignored

by any democratic system if it truly and honestly wants to be described as a liberal system concerned about pluralism and committed to it.

Pluralism does not only mean a plurality of political units. It also means a plurality of economic, social, professional, and occupational units. Whenever, for any reason, the political units are below their desired level, making room for the other units to take their place beside the political units is the sole guarantee for the continuance of the democratic pluralistic system.

Central Region Agricultural Report Focuses on Storage, Marketing

45040287B Khartoum AL-MAYDAN in Arabic
17 Mar 89 p 2

[Text] The Central Region Agriculture Ministry's recent annual report on the agricultural rainy season called on the Agricultural Research Organization and Seed Propagation Department to work on selecting other strains of sorghum that can be harvested mechanically. This request comes in the context of the regional ministry's efforts to deal with harvesting problems that will grow increasingly serious over the long term.

In a related matter, the report indicated that the region lacks appropriate storage facilities to handle this season's production and guarantee the food situation in coming years. The report called for implementing the region's proposals for constructing strategic silos and regional-level storage units, as well as developing and improving existing ones.

In another area, the report stressed the importance of state involvement in the marketing of sorghum in order to encourage and protect the producer and consumer. It said that the prevailing inadequate prices may turn farmers away from growing this crop and to its production remaining at the current level. The regional agriculture report called for setting a realistic pricing policy that takes into account the importance of sorghum production and raising production efficiency.

SUNA Interviews Capital Refugee Officials on Conditions

45040287C Khartoum AL-RAYAH in Arabic
12 Mar 89 p 4

[Article: "Press Report on Problem of Refugees in National Capital"]

[Text] Sudan News Agency [SUNA] conducted press interviews with a number of officials about the refugee problem, how and why they flow into the national capital, their sanitary and living conditions, ways of dealing with their affairs and everyday problems, and the channels that mobilize them in order to use their manpower in harvesting and production.

In reply to a question about the daily number of refugees to the national capital, Mr Muhammad al-Hasan 'Awad-al-Karim, commissioner for displaced people, explained to SUNA that migration rates for residents of Southern Region to the capital had risen to between 500 and 1,000 a day. He indicated that the total number had now reached 1.5 million displaced people, living in 47 camps divided among the capital and various regions. He said that the number of displaced people from Northern Kordofan and Southern Darfur had reached 70,000.

Mr Isma'il al-Kamil, general director of the Commission on Displaced Persons, explained to SUNA that, according to UN statistics issued this year, the number of displaced persons in the capital and certain other regions had risen to 1.85 million.

Regarding the reasons for displacement and the resettlement of displaced people to their areas, the director said that the problem of displaced people began in 1983 with the migration of about 200,000 persons from Kordofan and Darfur because of drought and desiccation. About 130,000 of them migrated to the capital; the rest were divided among the various regions. He indicated that in 1985, 150,000 of these displaced people had been returned to their homes and that 6,000 others had been returned at a later time.

Mr Isma'il [al-Kamil] said that the experiment of returning displaced people to their homes had proved to be successful. Work is now under way on a scientific evaluation of the experiment, with the aim of establishing it as a model for researchers and people interested in the resettlement field. He explained that a search is now under way to find the necessary funding for the Northern Kordofan resettlement project, which will cost 4.5 million Sudanese pounds.

Regarding migration from the South to the capital, the director said that it began in June 1986 from Uwayl and Gogrial in Bahr al-Ghazal because of the war. In addition, there was internal migration, estimated at about 1,000 persons, to Waw, Malakal, and Juba. He explained that displacement from the South had assumed a collective, tribal character, with an entire tribe migrating and occupying an entire camp, where it would maintain its systems of headmen and elders and would settle small problems through these systems. However, the relevant authorities had refused to sign sentences for whipping and fines issued by the courts of these systems.

As for the negative aspects and damages of displacement, the general director of the Commission on Displaced People mentioned that these included an increased crime rate, a worsening problem of haphazard housing, and a 20 percent increase in cases of illness in hospitals. This, he said, required rapid movement to raise the capacity of hospitals. Displacement, he pointed out, also had positive aspects, including the fact that groups mingled, lived, and mixed with each other. This led to a

strengthening of national feeling, national unity, and partnership. Also, the manpower of young displaced people could be used in harvesting operations.

At the end of his statement to SUNA, the director urged health authorities to monitor food in the refugee camps and make efforts to improve the health of the environment in them. He stated that the commission for its part is surveying the camps' requirements for books and furniture, so as to include them in the budget.

Regarding government policy toward displaced people, Mr Ahmad al-Rida Jabir, acting social welfare minister, stated to SUNA that the ministry is working to provide necessary urgent health and educational requirements to the refugees, in addition to providing food, clothing, water, and care for the disabled and children. It is preventing their being exploited religiously and politically and is giving them a share in determining their future. It is looking for jobs for the able-bodied and is converting haphazard camps into secure places fit for human life.

The minister stressed that the government, national, international, and regional organizations, and donor nations were concerned about the problems of displaced people and efforts to solve them.

From inside the refugee camps in the national capital, Mr (Fazinq), deputy public overseer of Camp Bentiu 2 in the press [area], stated in an interview with SUNA that this camp, which was built in 1986, holds large numbers of citizens of the southern regions who have migrated from the area of Bentiu. He indicated that the people's regional association had cleaned up the camp several times. However, since the camp was erected essentially in a garbage dump, cleaning it required the use of motorized units, which the relevant agencies had not provided.

In a related matter, officials at clinics of the Committee of Muslims of Africa and the Sudanese Council of Churches at the camp explained that health services are offered to camp residents through the two clinics. Serious cases of illness are sent to hospitals. The officials indicated that approximately 50,000 cases arrive daily at the council clinic and about 75-80 cases at the committee clinic. They said that the diseases prevalent in the camp were diseases of malnutrition, malaria, typhoid, jaundice, chest inflammations, intestinal infections, and eye diseases, in addition to some cases of measles and chicken pox.

The officials attributed the spread of these diseases to the deterioration or absence of services to provide a healthy environment. Quick help was required to eliminate the causes of these diseases. They said that disease rates were expected to rise in the camp during the summer. The necessary precautions must therefore be taken starting now to prevent the spread of disease in the camp and the transfer of infection to areas around it.

In addition to the two clinics, there are two elementary schools in the camp, one belonging to the Committee of Muslims of Africa, the other to the Sudanese Council of Churches. They provide educational services to about 1,104 pupils of both sexes, mostly boys, and including 25 boarding students at the committee school. The Commission on Displaced Persons supervises these two schools in cooperation with the Ministry of Education.

Teachers at the two schools explained that the schools suffer from the problem that children wander away at a rate of 5 percent each year. In addition, there is the problem of families migrating before the pupil finishes the school term. There is also a shortage of books.

The teachers urged the authorities to provide free meals to pupils. They indicated that the food problem constitutes the major factor in pupils' wandering away.

In Camps (Zaqluna) 1 and 2 in the industrial area of Omdurman (the camp extends the length of the industrial area), there are 50,000 displaced people, representing about 9,000 Dinka families from Uwayl in Bahr al-Ghazal.

Regarding this camp, the general director of the Commission on Displaced People explained to SUNA that some factory owners in the area had threatened to close their factories because of the effects of erecting the camp in the area. He indicated that studies are now under way concerning moving the camp to another area yet to be determined, so as not to halt the new industrial establishment and for fear of the danger of pollution to food plants, as well as the exposure of the inhabitants to factory smoke.

SUNA learned that educational services in this camp are offered to about 1,000 pupils in two schools belonging to the Council of Muslims of Africa and the Sudanese Council of Churches, in addition to food and immunization services provided by a UNICEF [United Nations Children's Fund] clinic in the camp.

Officials in the Council of Churches clinic in the camp mentioned that they received 60 cases a day. Malaria, eye disease, and diarrhea are widespread, in addition to some cases of chicken pox.

SUNA calls attention to a striking fact in the camp—namely that commercial stores are present to sell the requirements of camp residents and that their prices are higher than the official prices and the prices of other stores. A single [20-liter] can of water sells for 50 piasters, while it can be obtained at a controlled price of 5 piasters a can from government stands set up to serve the residents.

YEMEN ARAB REPUBLIC

Ministry Official Cited on Budgetary Financing

44040345 Paris AL-MUSTAQBAL in Arabic
11 Mar 89 p 38-39

[Text] The Yemeni economy is entering the age of development, thanks to oil. As Yemen begins to pump its wells for oil, officials estimate that its new five-year-plan (in place until 1991) will already be self-funding, for the first time in Yemeni history, to the extent of 25 percent of the new plan's funding requirements. The previous five-year-plan was essentially dependent on loans and foreign aid for financing development projects.

Yemen is expected to realize annual revenues of some \$800 million, computed on the basis of current world oil prices and of production estimates of 200,000 barrels. Observers say this figure is at the core of the economic drive in Yemen. Oil revenues, however, will cover only one third of annual disbursements under the third five-year plan and the government must find a way to raise the remaining \$1.5 billion.

To cover that gap, experts believe the Yemeni government has four avenues:

- General state revenues, non-oil exports, and tourism
- Expatriate remittances by Yemenis abroad, especially in the Gulf region and in the U.S.
- Arab and foreign aid available to Yemen thanks to its good economic reputation and full compliance with economic commitments made over the past few years.
- Loans from banks and various world organizations.

The latter are considered soft loans since they all have low interest rates and reasonable grace periods.

Dr. Muhammad Sa'id al-Attar, deputy prime minister, minister of development, and head of the central planning authority in the Yemen Arab Republic, says that since the implementation of the third program, Yemen has been borrowing from foreign countries in order to finance investment projects under the first and second five-year plans.

Yemen has pursued a flexible policy of only borrowing long-term soft loans with low interest rates to finance development projects proven of value in structuring basic utilities and necessary services. It has totally avoided consumer loans and high-cost commercial loans whose service would impose a heavy burden on the national economy.

Al-Attar pointed out that of aggregate foreign borrowing, 14.3 percent is used to finance services and facilities in the sectors of agriculture and fisheries; 24 percent to finance electric, water, and sewer projects; 20.8 percent to finance roads and transportation; about 12.4 percent to finance banks and other institutions; and about 4.3 percent to finance education, health and municipal services. The remaining 16.3 percent is used to finance various other development projects.

He explained that debt service is still relatively small and does not heavily burden the balance of payments. He emphasized that the rise in oil revenues over the next few years will lead to considerable improvement in the balances

of trade and payments whose deficits have persisted for several years. That improvement will certainly result from the continued rationalization of consumption, investment, and imports—a policy that has been pursued since 1984.

INDIA

Jammu-Kashmir Chief Minister Interviewed
46000134 *Calcutta SUNDAY in English*
23-29 Apr 89 pp 36-37

[Interview with Jammu-Kashmir Minister Farooq Abdullah by Patralekha Chatterjee]

[Text] "The situation is war-like...it is a fight against Pakistan," thundered Dr Farooq Abdullah, chief minister of Jammu and Kashmir; as violence continued unabated in the valley last week. The situation had obviously assumed crisis proportions, because Abdullah flew down to New Delhi for consultations with Prime Minister Rajiv Gandhi and home minister, Buta Singh. In a brief interview with SUNDAY, Abdullah holds forth on the roots of the problem of militancy. Here are some excerpts:

SUNDAY: The National Conference and the Congress(I) had jointly decided to fight the problem of militancy in Kashmir. But the valley continues to be the cradle of violence, as recent events show. What are the constraints you are facing in implementing your action-plan to curb militancy?"

Farooq Abdullah: What sort of militancy do we have? We have people who are unemployed. I can't do everything alone unless the Centre comes in. I have a solid non-plan gap of Rs 100 crores. Where will I get that overnight? Will I get it from a jaadu ka chirag (magic lamp), or a chadi (stick) from Aladdin to which I can say "come on, genie, out...build me a power station overnight..."? And, overnight, I will also be able to build a parallel road to the one that is giving away. We have been shouting for years that we want a road that can hold the traffic, so that I don't have people stuck on this side or the other side. And no petrol, no diesel, no kerosene, no food....

SUNDAY: You have obviously brought this to the attention of the Centre. What then is the problem?

Farooq Abdullah: They have known about it. I bring this to their notice all the time.

SUNDAY: What then is standing in the way?

Farooq Abdullah: Bureaucratic delays. (Contemptuously). Officers...This file has to go here, then there...this zigzag...

SUNDAY: Don't you think that this is giving a political lever to your critics in the valley?

Farooq Abdullah: Yes. It has always given them a lever. I have told the Centre from day one that whatever we have said in the accord must be implemented. I have told the Centre a number of times that let us get on with whatever we have agreed upon. It is not any one man's

fight. It is a fight for all of us, whether we belong to the Congress or the National Conference. It is a fight for all of us to implement the things which we have promised the people. We have fought a hell of a battle against the fundamentalists. And won the election on the mere promise that we are going to improve their lot, on the plank that "we will make things better for you."

SUNDAY: What do you have to say about the allegation, which your critics are constantly making, that you have become a stooge of the Centre?

Farooq Abdullah: I am not a stooge. The people of Kashmir will never believe that I am a stooge. I don't have to prove anything.

SUNDAY: Do you feel you have become a victim of the National Conference-Congress(I) alliance?

Farooq Abdullah: I think all of us have become victims of this accord in one form or the other. But the accord is necessary. Let me be frank about it. It is something which has brought together two major parties which are secular. They were always fighting with each other, giving the fundamentalists a chance to swing things at our cost. That has gone. We must strengthen this support by working for it at the economic and the political level. My party and the Congress party must work dedicatedly to see that we succeed, and not find excuses for our weaknesses and problems.

SUNDAY: What are you going to do about the Centre's indifference?

Farooq Abdullah: The Centre is not indifferent. I don't know why the hell the thing is not working. I have been unable to understand this.

SUNDAY: Did you get any insight into the problem after your recent conversation with the Prime Minister in Delhi?

Farooq Abdullah: My recent conversation with the Prime Minister was obviously of the nature where a Prime Minister and a chief minister talk about various things. But neither the PM nor the CM will tell you what these were. (Smiles)

SUNDAY: But the public surely has a right to know, as the problems in your state are of a recurring nature.

Farooq Abdullah: We have had terrible times. Every year we have had two floods since we got in. We have had drought, we have had the whole crop being destroyed in Jammu in 1987. Maybe god wants to try us out and see how strong and firm we are in our beliefs.

SUNDAY: You mentioned the problem of unemployment. Do you see that as a major factor behind the rise of pro-Pakistani elements?

Farooq Abdullah: I don't know whether it is major or minor. But it is certainly one of the reasons. They have been preached at by the mullahs, whether of Jamat-e-Islami or others, that the heavens will fall if you go to the other side.

SUNDAY: You declared in Srinagar last week that it was a "war-like" situation in the valley. Do you still maintain that?

Farooq Abdullah: It is not a war in the sense of soldiers fighting. It is a battle of a different kind. For one, we are fighting against the newspapers. Many a time they are dishing out concocted tales. One story said "22 Hindu houses have been burnt." Don't you see the effect this can have? Muslims there (in Kashmir) feel that if anything happens, they will be charged: "Muslims are communal." You people don't see the fall-out of these things in the minds of the people. But we will survive. What happened was a temporary thing.

I hope the election goes off well. There is this factor also. Every time there is an election, any number of parties start playing tricks. Some will play the Hindu card, some will play the Muslim card, some will play some other card. Things they don't remember for four or five years, suddenly emerge as issues and everything goes backwards.

SUNDAY: For example?

Farooq Abdullah: For example Article 370 (which gives special status to Jammu and Kashmir). The BJP does not remember Article 370 for four years. But at the time of elections they raise this issue.

Editorials Examine Jharkhand Tribal Agitation

C.P.I. (M) Blamed for Inciting Tribal People
46070014 *Calcutta ANANDA BAZAR PATRIKA in Bengali 31 Jan 89 p 4*

[Text] Today a mass meeting of the supporters of Jharkhand will be held in Calcutta. For this purpose, many Santals, Mundas and other native peoples primarily from the Southern and western sections of Bihar have started their journey toward Calcutta. The main objective of this gathering is to raise the demand for Jharkhand, a separate state which would consist of the tribally inhabited districts of Bihar, Orissa, Madhya Pradesh and West Bengal. The leaders will submit a letter of demand in this respect to Mr Jyoti Basu, chief minister of the state. Considering everything, nobody should have any objection to this demand. There can be movements conducted in a democratic manner on account of any demand. But the complication has surfaced over one directive issued by the government. A few days earlier, restrictions were placed against entering and freely moving around in the state, and carrying weapons in the city. In this case, weapons do not mean dangerous firearms, which the bullies openly display in

many neighborhoods. In this case weapons mean, bows and arrows, spears, axes, and other homemade weapons which are constant companions of the tribal masses across the country. Understandably, the supporters of Jharkhand have become agitated over this restriction, and have taken the decision to defy the official decree and parade with bows and arrows. On the other hand, the government is so zealous about enforcing its own decree that in various districts the police have been instructed to disarm the tribal people; armed guards have also been posted at various entrances of the city. Consequently, an attitude of challenge has surfaced, and has generated considerable excitement.

From a casual point of view, this decree issued by the state government may appear to be reasonable. It might appear unreasonable to allow the lives of the inhabitants of a modern city to be disrupted and become threatened due to the presence of a large number of people bearing arms. However, from the practical experience in the city, their practices might not appear unusual at all. Calcutta experiences such demonstrations almost every day. When the Sikhs march with naked swords to celebrate the birthday of their religious leaders, or when the Muslims go around in processions with unsheathed swords, we do not become apprehensive at the possibilities of any disruption of peace. Not only in religious observances but even in political gatherings carrying dangerous weapon is very commonplace. Furthermore, in the meetings of the main partner of the same government that has issued the decree, the supporters of the Communist Party India [Marxist] (C.P.I. (M)) from Purulia, Bankura and other tribal areas come brandishing bows, arrows, spears and axes. Their pictures have appeared in many bourgeois newspapers, even in the C.P.I.(M) Party newspaper. Naturally, the question arises; why all of a sudden is there so many restrictions on the assembly of the supporters of Jharkhand? We are not required to provide the answer. However, it appears that the hostility between the supporters of Jharkhand state and C.P.I. (M) party leadership in Burdwan is the reason for the issuance of this decree. Recently, the expansion of popularity for Jharkhand among the tribal residents of the southern part of West Bengal has resulted in repeated fights with the supporters of the C.P.I. (M). The fight between the two groups to capture the Panchayats, the center of village self rule, has become quite frequent. If the emergence of the upstart Jharkhandis has disrupted the unchallenged rulers of Bengal, no one should be taken by surprise.

However, whatever may be the reason, there is no doubt about the fact that the C.P.I. (M), as well as the left front government of West Bengal has elevated this normal and insignificant matter to a serious issue of honor. If there had been no restrictions issued, as in previous occasions, the Jharkhandis would have come to the city in processions, some of them as usual bearing bows, arrows and other weapons, and at the end of the meeting would have returned to their homes without any incident. Now, because of this restriction, mainly to demonstrate their

defiance, they might come more heavily armed than before. If the police try to stop them or to disarm them, it is quite possible that their militant section might decide to engage in direct confrontation with the police, which might raise the possibility of unwanted bloodshed. It is only a one day affair.

However, if the state government remains adamant in its stance, this matter of bearing arms might become transformed into an issue of preservation of the cultural heritage of the tribal people. We have observed the political nearsightedness of the C.P.I. (M) in giving importance to insignificant issues in the past in respect to G.N.L.F. [Gurkha National Liberation Front] and its supporters. As a result the Gorkhas had to be awarded limited self rule. We hope the veteran leaders of the C.P.I. (M) do not have to pay a heavy price in future for their political nearsightedness which they are demonstrating with respect to Jharkhand. If that happens, the C.P.I. (M) alone will have to bear the sole responsibility of that mishap.

Agitation Seen as Cause for Concern

46070014 Calcutta ANANDA BAZAR PATRIKA in Bengali 2 Feb 89 p 4

[Text] The battle call has been sounded for the formation of a separate Jharkhand state. At a meeting held last Tuesday in Calcutta, the leaders of the Jharkhand movement issued this call. The demand for Jharkhand is not new. The demand is for the formation of a state which would be comprised of sixteen districts of Bihar, Madhya Pradesh, Orissa and West Bengal; predominantly populated by tribal people. Like the demand, the movement for this demand is of long standing. However, the demand is not as strong in all areas, and the agitation has not remained as strong in all phases either. From time to time, the agitation has seen its high as well as low points. Now is a time for stronger agitation, at least, for the time being. This time the center of this agitation is primarily in the Chotanagpur valleys of South Bihar. On Tuesday the mass meeting in the city was composed primarily of people transported by bus and train from the southern part of Bihar. Rendering all apprehension on the part of the state government totally unfounded, these people came to the meeting in a peaceful manner and left the same way. However, the statements made from the platform cannot be termed peaceful. As a matter of fact, more than one Jharkhandi leader, like the Gorkhas, and students of Assam, has promised to launch armed agitation to fulfill their demands, and have pledged their blood for this cause. Such threats and pledges to adopt violent means naturally creates excitement, and spreads apprehension among the public.

It is true that the districts in the proposed Jharkhand state are primarily populated by the tribal people; their economic condition is terribly woeful. This area being rich in mineral wealth has been used as the provider of raw materials for the Indian heavy industries. However, the native sons never benefited from that wealth. They

are still in the same darkness of the middle ages as they have been heretofore. In almost all aspects, including education, health, development, and in all other areas, they have been neglected, deprived and used. Their grievance arising out of this neglect is easily understandable. However, would the formation of a separate state solve that problem? Would not rich and poor, fortunate and deprived people also be in this proposed Jharkhand state? Would the rulers of the state be at all philanthropic like the proverbial ruler Abu Hossain? Would there not be any bureaucracy? Would the divisive principle of the administration not be present there? Would the social justice and classless society of the Communist heaven be established? If that were the case, then Andhra Pradesh for the Telugu people, Tamilnadu for the Tamils, and Maharashtra for the Marathis would have transformed into heavenly kingdoms long time ago. Now, like the population of Chotanagpur valley, Telugu, Tamil, Marathi or other linguistic populations are equally fragmented not only into various groups and sub groups, they are also divided in terms of rich and poor, economically advantaged and deprived, and into other economic groups. It has been found that creating states on the basis of languages does not solve the fundamental problems. At various times, various groups of people have launched movements to demand political self rule and individual rights. The newly educated middle class population of these groups has provided leadership, and in many instances their demands have also been fulfilled. In spite of these results, those social groups have not been able to demonstrate any significant progress in the economic sphere. The closest example at hand is the Gorkha population. They have gained their self administered Hill Council by violent means. This might have satisfied their cultural ego. But they have achieved nothing more and there is not much hope of accomplishing anything. In the mean time, G.N.L.F. is riddled and fragmented with infighting.

The threat of violent agitation which the Jharkhandi leaders have issued is also very unfortunate. As a matter of fact, recently in various corners of the country, various population groups and segments of the population have issued threats of violence, and have tried to bargain with the central government on their own terms. They are encouraged by the lack of statesmanship of the advisors of the Prime Minister. Agreements in Assam, Mizoram, and the Gorkha Hill Tracts may have encouraged other segments of people. Now, in Assam, Bodo tribal leaders have started a movement for the establishment of Bodoland; even the inhabitants of a tiny district, the Karbi tribe, is also becoming more and more vocal demanding a separate state of their own. If this trend continues at this rate, then one day, each district, demanding protection of their own cultural heritage and individuality, would ask for a separate state. And, if those demands are met, then India would abound in many states and substates; in fact, there would not be the existence of any state at all. Administration would become impossible. Instead of solving the basic socio-economic or political-cultural problems, these divisions

would become fertile grounds for proliferation of regionalism, and separatism. The Jharkhandi leaders should consider whether the emotional plan of action they are considering implementing would fulfill their desired objectives. If that be not the case, they should abandon this plan of action.

IRAN

Tehran Province Census Results Detailed *46400075a Tehran ETTELA'AT in Persian* *19 Mar 89 p 4*

[Text] Economic Service—The Iranian Census Bureau recently published the results of the detailed housing and population census of 1365 [21 March 1986-20 March 1987] for Tehran Province.

According to the report by the Public Relations Office of the Iranian Census Bureau, the census thus presented indicates that the total population of Tehran Province in 1365 was about 8,712,087. Of this total 7,536,152 people live in the urban areas while 1,175,642 live in the rural districts. Furthermore 293 individuals form the non-resident population of the said province.

Furthermore, the report also indicates a gender proportion of 106 for the Province of Tehran, namely for each 100 women there are 106 men. In addition, 78.25 percent of the total population of the province is comprised of 6-year old or older individuals.

The results of the detailed housing and population census of 1365 of Tehran Province indicates: 6,312 male physicians and 1,272 female physicians are practicing in this province. In comparison with other provinces, Tehran Province has more physicians.

The results of the statistics also indicate that 98.04 percent of the urban families and 94.48 percent of the rural households of Tehran Province use electricity. This proportion for plumbing supplied water is 93.26 percent for the urban areas and 87.18 percent for the rural families.

In Tehran Province, 94.5 percent of the children between the ages of 6 to 10 years, 96.21 percent of the adolescents between the ages of 11 to 14 years, 89.08 percent of the young adults between the ages of 15 to 24 years, 67.06 percent middle-aged individuals of 25 to 64 years and 32.2 percent of elderly people of 65 years and older are literate.

Latest Unemployment Figures Released *46400075b Tehran ETTELA'AT in Persian* *25 Mar 89 p 4*

[Text] Economic Service—During the period between 1364 [21 March 1985-20 March 1986] until the first half of 1366 [21 March 1987-22 September 1988] about

342,000 Iranian women and men sought employment. Of this total, more than 5,000 held bachelor or higher degrees and more than 99,000 comprised individuals with high-school diplomas.

The monthly periodical KAR VA JAME'EH [WORK AND THE SOCIETY], which is published under the supervision of the plans and projects directorate of the Ministry of Labor and Social Affairs, in its seventh edition while presenting the aforementioned statistics in an article entitled "A Brief Description of a Detailed Story, as Told by the Unemployed," deals with the various issues of unemployment problem in Iranian society and presents some statistics with regard to the number of people seeking employment during the years 1364 until the middle of 1366.

In addition to the articles and statistics concerning the work and employment issues in Iran, the aforesaid periodical also contains various articles dealing with the same subject in various countries of the world which can be helpful in resolving some of our own problems at home.

KAR VA JAME'EH, while investigating the social and economic effects of work and employment in Iran and the world, from a legal standpoint also explores the relations between the employees and the employers and while presenting legal procedures and pronouncements from the domestic and international courts of law, has helped in enhancing the level of understanding between the employees and the employers as well.

According to the statistics in the article "A Brief Description of a Detailed Story, as Told by the Unemployed," in 1364 of the 172,000 individuals seeking employment who had registered with employment offices throughout the country, 84 percent were men and 14 percent were women.

From the standpoint of education, 13.4 percent of the above-mentioned figure were illiterate, 9.5 percent were able to read and write, 20 percent had fourth grade education, 14 percent had sixth to eighth grade education, 11 percent had ninth to eleventh grade education, 30 percent had secondary-school diplomas, 0.8 percent had post-high school education, 1.1 percent had bachelor degrees and 0.1 percent had higher degrees.

According to these statistics, the majority of the unemployed groups belonged to the holders of the secondary-school diplomas which comprised 30 percent of the total unemployment figures, and during the years 1364 until the middle of 1366 their number exceeded over 99,000.

Furthermore, these statistics show that from the total of 342,000 women and men seeking employment, over 49,000 were women.

The age distribution for the individuals seeking employment during the said period indicates that the majority of the job seekers were youths between the ages 20 to 29, which comprises more than 244,000 of the total number of individuals seeking employment. Likewise, during the period in question about 19,000 individuals 40 years of age and older sought employment of which 870 people were 60 years or older.

According to the statistics presented by another article in the same magazine, the total number of the country's unemployed individuals during 1355 [21 March 1976-20 March 1977] was about 970,000, namely 10 percent of the active population of the country. This figure for 1360 [21 March 1981-20 March 1982] reached 3,150,000 individuals, namely about 27.4 percent of the active population. Thus, for almost each four active individuals of the country one person was unemployed. The census of 1365 [21 March 1986-20 March 1987] shows the rate of unemployment as 14.1 percent.

The active population of the country in 1360 was estimated to be about 11.5 million individuals which comprised 29 percent of the total population, while the median rate of active population in the world is 44.75.

PAKISTAN

PPP Said To Want Total Control in All Provinces
46560028 Karachi JASARAT in Urdu
17 Mar 89 pp 1, 7

[Article by Adeeb Usmani: "The PPP Wants To Rule the Entire Country"]

[Excerpts] Punjab has now been made the most important problem of the country. The dispute is not between Chief Minister Nawaz Sharif and Prime Minister Benazir; rather, it is a trial of strength between the Pakistan People's Party [PPP] and the Islamic Democratic Front. Despite all its promises, the People's Party is determined to create a secular government in the country at all costs. At the same time, the People's Party wants unchallenged supremacy and complete control over the entire country as it did once in the past, and it does not want anybody to have the power to question its authority. From the point of view of the People's Party, Nawaz Sharif is the one man standing like a big rock in the way of Benazir Bhutto's aspirations and desires. Secondly, during the rule of late President Zia-ul Haq, the Junejo government, by pushing the Eighth Amendment through the Parliament, dashed all hopes of Benazir Bhutto. Leaders of the People's Party believe that so long as Nawaz Sharif is in control of Punjab, the biggest province of the country, the Eighth Amendment cannot be suspended, control cannot be had over the country's biggest province, and the country cannot be ruled according to PPP's wishes. Observers believe that if this confrontation continues, it can pose dangers for democracy and democratic rule. In the elections, the public chose their representatives freely, impartially and judicially. Despite all its efforts,

the People's Party could not obtain even a simple majority in the National Assembly. With the exception of Sindh, it did not have any notable success in the provincial elections. The Islamic Democratic Front obtained a majority in the Punjab Provincial Assembly, and Nawaz Sharif gave up his seat in the National Assembly to assume Punjab's leadership.

No one knows why the People's Party leadership hates Nawaz Sharif when, in accordance with the constitution, the people have given the Islamic Democratic Front the right to govern Punjab. There are many countries where one party rules at the center and other parties rule in the provinces. Look at India where the Congress (I) Party is in power at the center and the opposition parties rule in many provinces, and, still, the nation's business is going on very smoothly. Differences between the center and the provinces do arise, but these are resolved within the ambit of the constitution through mutual persuasion and communication. However, in our country this is not happening. Our leadership lacks a spirit of tolerance and courage. The People's Party, which rules at the center but does not command even a simple majority, has been trying to overthrow a government which commands a majority in Punjab. It nominated as governor a person who had lost in Punjab to a candidate of the Islamic Democratic Front by thousands of votes, and whose past exploits the entire nation is well familiar with. The PPP did not stop at this, but told the former governor of Punjab, Makhdoom Quraishi, that he should not let Nawaz Sharif take the oath of office as chief minister of Punjab. When he did not obey this order, he was dismissed.

However, governors of other provinces continue in office. They include the governor of Baluchistan province, Retd Gen Musa Khan. His situation is very controversial because, at the behest of an elected chief minister and in accordance with the wishes of the People's Party, he dissolved the provincial assembly. The assembly was reinstated by the Baluchistan High Court, and it described the governor's action as inappropriate. The People's Party has been keeping Retd Gen Mussa under its wings, and, despite this Himalayan blunder, he was not even reprimanded, because he had committed this blunder at the bidding of the People's Party. From this it is not difficult to judge the partisanship of the central government.

Because the Islamic Democratic Front is in power in Punjab, members of the Punjab Assembly cannot be compelled to shift their loyalties. Therefore, the fresh recourse is to bribery. The purchase and sale of members of the assembly is going on briskly. So much so that the president of the nation cautions that the assemblies should not be converted into stock exchanges and that this infamous practice should stop immediately. Moreover, since the central government has complete control over the communications media, the ruling party is busy unleashing a remorseless propaganda campaign against the opposition. Psychological warfare is at its height.

New stories are broadcast every day. Some member of the opposition was taken hold of, and a statement was obtained from him. False rumors are circulated. An impression is created among the masses that the days of the provincial government are numbered. The governor serves as a proxy to interfere in the affairs of the provincial government. In other words, efforts are being made to defeat the provincial government on every front. This is not to suggest that the provincial government is sitting idle. On every issue it is paying back the central government in the same coin. Punjab has become a battleground of propaganda. The public is amazed and upset to see what is going on. What kind of a democratic government is it? Why are democratic values being brought into disrepute? The champions of democracy are busy in undemocratic activities. Despicable efforts are afoot to change the public mandate by resort to force and funds, and it is being claimed that we want to enforce democracy in the country.

In our opinion, the root cause of the dispute is that the People's Party government seeks to exercise full control over the country, a control so complete that no one may interfere with it. Clearly it believes that a secular government should be set up in the country, that religion should have no link with politics, and that everyone should have a right to his own religious practices. Since the People's Party came to power in the country, a noticeable change has appeared in broadcasting. Although programs are being shown, which have elicited a barrage of objections from all directions, the government turns a deaf ear to these protests and continues with its plans. In their statements and speeches, government leaders have started issuing comments and reflections on religion with which no Islamic school of thought can agree. Such actions create unrest in the country, and the government and government leaders should refrain from this. It should never be forgotten that the central government incurred a lot of infamy and disrepute because of its failure to dismiss the Baluchistan Assembly, and a repetition of this move will not succeed in Punjab. If a no-confidence movement against the Punjab government succeeds through conspiracy, greed and fear, the flood gates will be opened forever. After this, no province, not even the center, will be safe from this modus operandi. The idea of having one's own way throughout the country is incorrect and completely contrary to democratic principles. In the past, those who tried this failed miserably. To give Punjabi people the impression that the center is trying to force its will down their throat will be a great tragedy. Nawaz Sharif came to power in Punjab following President Zia-ul Haq's 1985 elections. He convinced the people of his capabilities and proved that he has qualities of leadership. Therefore, it is the duty of the central government to resolve the issues through mutual persuasion and negotiations instead of staging a confrontation with Nawaz Sharif. [passage omitted]

Ethnic Strife in Sindh Intensifies

Bhutto Urged To Address Problem

46000135 Karachi DAWN in English 30 Apr 89 p 7

[Article by Sultan Ahmed: "Ethnic Divide Must Be Bridged"]

[Text] Are we in a disastrous ethnic blind alley in Sindh now? Is the separatism between the old Sindhis and the new or Mohajirs becoming more acute, and are their differences becoming increasingly irreconcilable? Is the Sindh Government, despite the earnestness of Chief Minister Qaim Ali Shah to end the strife, as much in the dark as the people about the identity of the elements behind the whirling outburst of killings, though not all of them? Four years after the ethnic killings started in Karachi and spread to other cities, and now to the rural areas, these are the kind of anxious questions all concerned persons are asking without acceptable answers.

The Chief Minister has said, following the Nawabshah killing of ten or more persons, that persons were being paid to create trouble in Sindh without identifying who they are. He also said the efforts were being made to topple the elected government by the enemies of democracy.

The Jamaat-i-Islami Chief, Qazi Hussain Ahmad, has gone to the other extent of asserting that brother Muslims have fallen victim to an international anti-Islamic conspiracy to divide them on linguistic and ethnic basis. But his contention is not backed by other leaders in the opposition. So we are back to square one, as while the latest outburst of violence in the interior of Sindh could be the act of extremist elements in the Jiye Sindh groups. What has been happening in Karachi could not be readily attributed to them.

The Senate Special Committee on Sindh, headed by Ahmad Mian Soomro, is after spending a good deal of time, including several visits to Sindh cities, is no wiser than anyone else. Following its latest meeting all it could do was to call for the arrest and prosecution of the elements involved in the violence immediately and impartially.

Mr. Qaim Ali Shah has said that the police force in Sindh is very inadequate as out of its strength of 13,000, the effective strength is only 7,000, and 3,000 of them are doing guard duties. So 7,000 more cops are to be added during next some months. He has conceded that the intelligence wing of his government, the Special Branch, had also failed to anticipate the violence and help in checking that. And eye-witnesses to killings are not ready to come forward to furnish evidence to the police or in the courts.

Evidently his handicaps are many. The Special Branch, accustomed for long to keeping a watch on the Opposition leaders and on tapping their telephones, is not fit to come out in the streets, identify those plotting murders and checking them.

And if the witnesses are not ready to provide evidence of killings to the police it is because they do not trust the partisan police. And they are afraid that they too may be done to death by the killers. And when such cases go to the courts, they take a long time to be decided. Meanwhile, the witnesses have no protection against attacks by the supporters of the killers against whom they are testifying.

In such a context he has opted not only for administrative means but also for political means to bring about a reconciliation between the various political and ethnic elements. And he is ready to have a political dialogue with them.

A large political conference of the kind suggested by some opposition elements may produce no tangible results. The forces which matter in Sindh today are the PPP [Pakistan People's Party], MQM [Muhajir Qaumi Movement] and the Jiye Sindh elements.

The Sindh Government and the MQM are in regular contact and they are partners in the Sindh Cabinet. The efforts now should be to bring the Jiye Sindh leaders into the political process and make them a party to a fruitful dialogue, following a kind of truce not to take to violence against each other. In this context, the offer of its good offices for sorting out the differences between old and new Sindhis by the Central Executive of the Sindh National Front, headed by Mr. Mumtaz Ali Bhutto, is very significant. As a leader wanting to make an effective political comeback, following his setback in the elections and disbandment of his Sindhis, Baluchi and Pashtoon Front, he can be really helpful. And he has the advantage of knowing the complexity of the problem in Sindh as its former Governor and Chief Minister. While he is against the federation and is in favour of a confederation, he has many Mohajir friends. And he is distressed by the presence of the army in many Sindh towns along with curfew restrictions. And he is pained to see the harm the ethnic schism is doing to Sindh, while the other three provinces are making headway, with autonomy in their internal affairs, as he puts it.

Mr. Mumtaz Bhutto has identified the claim of a fifth nationality within Pakistan for themselves by the Mohajirs in Sindh as the root cause of the rift. He says that to say that the Mohajirs loved Sindh but did not like Sindhism provided cause for provocation to the Sindhis. And he is convinced that by raising separatist slogans the cause of the Mohajirs could not be advanced.

[boxed item] The PPP should exert itself more for seeking a political settlement in the ethnic sphere. Prime Minister Benazir Bhutto too is well advised to spend more time in Sindh grappling with the ethnic divide. [end boxed item]

The MQM Chief, Mr. Altaf Husain, has a mixed approach to the issue. When he signed the Karachi declaration along with the PPP, following the general elections, he did not make accepting Mohajirs as the fifth nationality as a pre-condition for signing it. And he had earlier said that Mohajirs would give up their claim of a fifth nationality for themselves if others too would do likewise and declare themselves as simple Pakistanis.

But the people of the various racial or linguistic groups, like the Sindhis, Punjabis, Pakhtoons and Baluchis will not give up their old identification nor is it realistic to expect of them to do so. In fact, it is more pragmatic for the Mohajirs to come to a fair settlement with the Sindhis and identify themselves with the future of Sindh in toto rather than expect large concessions from the people of the other three provinces which they will not agree to concede.

In the U.S. the people who came from various parts of Europe identify themselves as Texans or Californians within the country, while they declare themselves as Americans when they go abroad. The same happens in the Soviet Union. But unfortunately the same kind of fusion or intermingling has not taken place here as in the U.S., Canada or Australia.

The Mohajirs in Sindh are not all Udu-speaking. While those who have come here from northern India and Hyderabad (Deccan) speak Urdu, those who came from western India speak Gujrati and do not identify themselves as Mohajirs invariably, and those who came from the south speak different southern languages. And Mohajirs who want Urdu to be promoted as the national language cannot, and tactical should not, claim it as their major distinguishing or unifying factor.

Normally the claim of a separate nationality by a group of people should not alarm others. In China and the Soviet Union visitors are taken to the museums of their nationalities to show the cultural and linguistic diversity of their countries and their overall richness.

But in Pakistan the world nationality has a disquieting ring because of the manner of the birth of Pakistan. We declare ourselves as a nation after earlier describing ourselves somewhat as a nationality or a people apart from Hindus. Later the Bangladesh nationalism asserted itself and Bangladesh was born as a new State in the crucible of war. So, if the Sindhis, who generously accommodated the Mohajirs, now fear that after their major cities—Karachi, Hyderabad and Sukkur—almost have become Mohajir cities, the same kind of Mohajir preponderance may take place in the rural areas or small towns as well, those fears cannot be brushed aside by the

Mohajirs. And if the Sindh nationalists now fear that a fifth province might be carved out of Sindh to accommodate the Mohajirs, however unlikely that is, those fears cannot be scoffed at. Logic and reason are important, but in politics the perceptions and fears of the people, however illogical, are important, and they have led to terrible explosions.

In Pakistan we live between two extremes. On the one side are those who are talking of the Muslims States and peoples as a single Ummah, despite the sharp political and historic divisions among them, and on the other side are those who speak of tribes, caste, race, sect, etc., as the reality and operative unit. And during many Ramazans ethnic or other mass killings have been common in Pakistan. And now there are reports of worse violence in Sindh to come after Eid.

However, contrary to the earlier reports of mass exodus from the interior of Sindh, such movement of the apprehensive Mohajirs has been on a small scale. The total number of families has now been placed at 70 by the MQM, but that does not mean the other families are not apprehensive and do not seek real security measures.

Mr. Mairaj Mohammad Khan of the Quami Mahazi-Azadi, a strong nationalist committed to the poor, has deplored narrow nationalism that is getting to be common. It is more a kind of negative nationalism which hates or distrusts others rather than loves its own people. He holds the military rulers as well as reactionary and exploitative elements responsible for the present murderous schisms among the masses who are driven to kill each other and destroy their assets.

It is heartening that peace committees are springing up in many of the disturbed areas in Sindh. Nawabshah is said to have as many as 26 peace committees. Men of goodwill on both sides must assert themselves now. The Mohajirs cannot take on the Sindhis, Punjabis and Pathans. Nor can the old Sindhis confront the Mohajirs, Punjabis and Pathans. So peaceful and harmonious co-existence, and mutual cooperation is imperative for both.

The PPP should exert itself more for seeking a political settlement in the ethnic sphere. It certainly is advisable for the Chief Minister, Mr Altaf Husain and Mr. Mumtaz Ali Bhutto to get together. If Mr Altaf Husain could earlier have a cordial relations with Mr. G.M. Syed, he could now make use of the good offices of Mr. Mumtaz Bhutto to end the blood feud in Sindh, which has claimed 600 or more lives so far.

Prime Minister Benazir Bhutto, too, is well advised to spend more time in Sindh grappling with the ethnic divide. If the ethnic discord and rising fears on both sides do not subside soon the Sindh PPP may be divided even more, with the Sindh nationalists urging the government for the stronger action. All that can strain the relations between the PPP and MQM further.

The active new Sindh Governor, Justice Fakhruddin G. Ibrahim can also play a significant role in bridge-building in Sindh as he is accepted as an enlightened person on both sides. His humanism and binding commitment to the masses everywhere can be a real adhesive force.

Disappointment Expressed on Inaction of Government

46000135 Karachi DAWN in English 25 Apr 89 p 7

[Text] Unconfirmed reports of migrations by some ethnic groups from the interior of Sindh to "safer areas" elsewhere as well as of a regrouping of population within some urban centres will occasion serious concern. Some of these reports are highly exaggerated. While one politician has put the number of families that have moved from the Larkana area to the southern areas at 15,000, the District Magistrate of Larkana has denied any such development, terming such reports "malicious and unfounded." It is absolutely important that the question of whether any movement of population has in fact taken place and if so on what scale is ascertained and taken fully into account by the Government. Meanwhile, the fact must be faced that some areas of the interior of Sindh are in the grip of tension and that trouble-makers are abroad, spreading hatred and instigating people to violence. In this situation rumours gain currency readily. The ethnic divide has today come to exert a powerful impact on the day-to-day life of the people living in this province. It is no less than a tragedy that this should be so after more than forty years of living together. These decades have seen a great deal of intermingling of Sindhi and non-Sindhi populations in the rural areas and towns of the province.

The large influx of immigrants from what is now India in the aftermath of the partition and subsequently the arrival in an ever-widening stream of people from upcountry have perceptibly altered Sindh's demographic character. It needed political creativity of the highest order and comprehensive planning to organise the new multi-ethnic society in such a way that the old inhabitants' political, economic and cultural rights were duly safeguarded and that the inter-mingling between the indigenous people and immigrants proved a source of invigoration and enrichment in the different departments of life. However, the kind of creativity and planning that were needed were completely missing. Democracy and federalism were both subverted within a few years of the founding of Pakistan.

Authoritarianism, unitarianism and elitism have created an order of society whose basic unity has been marred by horizontal cleavages and class stratification. There could be no possibility in this kind of setting for the different ethnic communities to define agreed terms of coexistence and to discover the principle of unity in a milieu characterised by diversity and inequality.

The denial of representative rule and the suppression of provincial autonomy for long periods during the past four decades have effectively put out of commission those processes of mediation and conciliation which foster integration in a democratic order of society. This has naturally resulted in serious political alienation and acute ethnic differentiation in Sindh. The process has culminated in the development of nationalism among sizable sections of the Sindhi-speaking population, something that is today an important feature of Sindh's life. This has during recent years given rise to its counterpart among large sections of the immigrants from India who have laid a claim to the status of a separate nationality in their own right. The development of two parallel sub-nationalisms or nationalisms is a sign of danger which no believer in the unity of Sindh and of Pakistan can view with equanimity. Nationalism by its very nature emphasises exclusiveness and thrives on inter-group antagonism. The present fierce competition for limited economic and job opportunities is adding fuel to the fire of ethnic discord. Yet the truth of the matter is that the economic interests of Sindh's various cultural and sub-cultural groups cannot be served in an atmosphere of social and political antagonism and in a climate of ethnic tension. As Mr Mumtaz Bhutto, Chairman of the Sindh National Front, said the other day, while Sindh's various communities were fighting and quarrelling "the other provinces were advancing ahead by securing autonomy in their internal affairs." The violent disturbances and prolonged periods of curfew have gravely affected productive activity and the investment climate, thus further reducing job opportunities for Sindh's educated unemployed. The last two years especially have been one of the darkest periods of Sindh's history in terms of staggering losses of production, wholesale disruption of educational activity and loss of life and property in communal riots and disturbances.

The coming to power of a democratic government was expected to make a lot of difference to the ethnic scene. But this hope has yet to be realised. The threatening postures of some extremist elements who openly preach ethnic violence, coupled with mysterious killings in an indiscriminate manner resorted to by small groups of faceless terrorists who appear and disappear with lightning suddenness, have created a general sense of insecurity. But the solution to this situation does not lie in shifting from one urban neighbourhood to another or in a forced or voluntary migration to "safer areas." The present mixed demographic pattern is better than anything that a mindless regrouping in supposedly secure zones will create. The biggest casualty in such an arrangement will be that spirit of accommodation, tolerance and togetherness which, given the right political environment, can help round off ethnic and parochial angularities and produce an integrated Sindhi personality of the future. In this Sindh of tomorrow all people who have made it their permanent home will have a worthy role to play.

Any regrouping would only serve to divide Sindh into ethnic pockets which are bound to be characterised by

exclusiveness and group consciousness. The cultural fragmentation would be far more tragic in terms of human and social consequences than a hypothetical administrative division. Placed as different segments of Sindh's population are, they have no choice but to live in peace and harmony. The political parties, ruling and opposition, have no choice but to guide the people of Sindh towards the only natural destination—a Sindh enriched by diversity, ennobled by the spirit of tolerance and invigorated by healthy competition. As recent events have demonstrated, despite provocations here and there, the people have forcefully registered their disapproval of the killings and refused to fall a prey to communal frenzy. It would be a pity if this reservoir of common sense and goodwill were to go untapped. The people are crying for help. They look to all their leaders, whatever their ethnic origin and political loyalty, for help in this hour of need. They are asking for nothing more than the right to live in peace and goodwill. The administration must now thoroughly probe the truth behind the reports of migrations. We do not know whether interested quarters are giving ideas to the people or whether migrations are a fact—even if in a trickle. In any case, the Government must take every political and administrative measure to assure the people of the safety of life and property and guarantee that the law enforcement agencies and the administration work with complete impartiality.

Peaceful Coexistence Urged

46000135 Karachi DAWN in English 20 Apr 89 p 7

[Article by Ghayurul Islam: "Where Are the Healing Hands?"]

[Text] It is getting difficult to keep a count of the dead in the fratricidal warfare in Sindh. the Sindh Law Minister counted 500 deaths since the disturbances sparked off by the Bushra Zaidi case in April 1985. This is a very conservative estimate in view of the large-scale massacres in Karachi (Aligarh Colony, Dec. 1986), Hyderabad (Sept 30, 1988) and Karachi (Oct 1, 1988)

Now killing has become a common feature in the two metropolitan cities of Sindh and gradually spreading to smaller towns. The latest round in Hyderabad on the eve of the holy month of Ramazan (April 6) claimed a toll of 14 dead and 50 injured.

The Sindh Assembly debate on April 10 on the Hyderabad incident, one would have thought, would be serious, leading to an agonising appraisal of the situation, and result in concrete proposals for a reconciliation between the two main ethnic communities. This did not happen, however. The House was divided on ethnic lines. Members of the same coalition hurled abuses and allegations against each other, blamed the other community for all the ills, accused each other of indulging in murders and threatened further bloodshed. An MQM [Muhajir Qaumi Movement] member said that "no one can throw us out; we have burnt our boats and we are here to stay,

whether some one likes it or not." A PPP member retorted: "We can take kalashnikovs in our hands as well. Do not test our patience."

This was the tone and tenor of the angry exchanges that marked the so-called debate on the Hyderabad situation on that day. Some PPP [Pakistan People's Party] members even talked of "rivers of blood" and accused the MQM of trying to "grab some territory to establish their nationality." Even the PPP was not spared; it was accused of being soft on the MQM and of collaborating with it in turning Sindhis into a minority.

We have been brutalised to such an extent that after each bout of killing we ask how many people of which ethnic group have been killed and how many innocent lives regardless of ethnic origins have been lost. The concern is not that the life of a husband, a son, a brother or a wife, a mother or sister has been cruelly cut short.

The net result of the debate, whose tone was set by Makhdoom Khaliquzzaman with his bitter diatribe against the Mohajirs and the PPP leadership a day earlier, was more tension and insecurity in the province, specially in the interior.

A campaign, already in operation for the last three years, is gaining ground to prevent Mohajir boys and girls living in the interior from getting admission to academic institutions, from attending classes, from appearing in examinations. Quite a few lives have been lost in violent encounters resulting from such attempts, causing fear and panic among students and their parents.

The PPP central leadership has reacted to the situation in two ways. First Ms Benazir Bhutto is reported to have decided to take action against party members making irresponsible and inflammatory statements. Reprimand may be the first step. Show cause notices are said to have been issued to a number of members. Secondly, the strength of the law enforcement agencies in Sindh is being increased by 12,000 men (7,000 police and 5,000 Rangers). A new intelligence cell will be set up to unearth the real dealers in arms and the stores where from these are supplied to the criminals.

These are essentially administrative actions, although very necessary under the circumstances. But these would not and cannot by themselves heal the wounds that have been festering for a long time or alleviate the sense of grievance and deprivation deepened over the past four decades. We are harvesting what the past rulers had sown. Bold and imaginative political initiatives are needed to cure the malaise. The Mohajirs must realise that they have a great responsibility in this regard. They are immigrants, not the conquerors. The latter always impose their will in respect of culture, language and even religion. But the former get themselves assimilated, accepting the culture, language and traditions of the host country.

[boxed item] The Mohajirs should go into the Sindhi localities and fraternise them. Civic committees should intensify their development activities in these areas, some of which have remained neglected for far too long. The Sindhis must also sit together with the Mohajirs—in fact, with all other communities living in Sindh—and work out a viable formula for peaceful co-existence.[end boxed item]

When two cultures freely meet and interact, it is always the more progressive, more dynamic and more humane elements of both that ultimately prevail and bring about some kind of a fusion. But such a process takes time. If either of these cultures is attempted to be imposed on the other cultural group, a resistance inevitably develops, and instead of a harmonious blending, confrontation results and in the process, finer points and values of both suffer diminution and impairment.

The Mohajirs must realise that their first generation behaved like a superior breed. Following the separation of Karachi from Sindh, perhaps a necessity of the new State, original Sindhis were almost excluded from its administration and future planning. The hurt they felt then was never realised. Sindhi language was almost banished from the two biggest cities of the province. The Mohajirs always sided with the autocratic rulers at the Centre for petty gains of a few services against the general interests of the Sindhi population. They must take initiative now in removing the psychological deposits of past actions and misunderstandings and in creating a climate for reconciliation. A bold gesture on their part is needed. Both Sindhis and Mohajirs must accept the fact that Sindh has become a bilingual province. The Mohajirs control the civic bodies in Sindh's two largest cities—Karachi and Hyderabad.

They must immediately make the teaching of Sindh in these two cities compulsory in all school under their jurisdiction. Mohajir leaders will have to work hard to persuade their community to shed any prejudice against the Sindhi language or, to put it another way, their linguistic chauvinism. A crusader like Sir Syed is needed for this purpose. Whether such a step calls for any reciprocal response should be left to the good sense of the other side. Urdu has inherent strength to get itself accepted on its own by all communities and in all parts of the country. It needs no promoters. In India the Federal Government and the overwhelming majority of the Hindu community could not banish it. In fact, promotional efforts by certain groups are hampering the growth of Urdu among other ethnic communities in Pakistan.

The Mohajirs should go into Sindhi localities and fraternise with them. Civic corporations should intensify their development activities in these areas, some of which have remained neglected for far too long (not that other areas have not suffered a similar fate) and improve the state of utilities.

Sindhis, on the other hand, must realise that as a legacy of the partition and independence they have this large size population of immigrants. They cannot be driven out. They have no other place to go. Most of them were born here. They have lived here for close to half a century. Whatever the bitter consequences of the tension and conflicts between the two communities and no matter how long this unhappy state of relations continues to cause dismay and alarm, that fact of their being destined to live together for better or worse will remain unchanged. Even after death the Mohajirs claim a few yards of land of this province. Their bodies are not taken across the border of Sindh for burial elsewhere. Whatever they produce, whatever they earn, they consume and spend here. The consciousness of two nationalities is created by those who divide Sindh into rural and urban areas and emphasised this fact time and again, thereby forcing a consciousness of two mutually exclusive identities, so to say. This is what provides the psychological underpinning for exclusivity and prevent an awareness of common destiny and interests.

Less developed people deserve special efforts for uplift. Quotas are a symbol of that effort. But quotas should not create a permanent divide and should not seem to be based on ethnic considerations. They should be specifically oriented towards target communities which are intended to be brought up to the level of others. Today, students living in some of the posh urban localities and studying in the best of schools that are available not only in Sindh but in other places in the country as well claim a big share of the benefits meant for the rural people who are genuinely deprived of the ordinary things of life. This is not development of backward communities needing weightage and protection. Of course the quota system must be there but it must be reserved for those who really deserve to be helped.

Having realised the compulsion of living together, the Sindhis must sit together with the Mohajirs—in fact, with all other communities living in Sindh—and work out a viable formula for peaceful coexistence. Our joint efforts should henceforth be devoted to the development of resources and opportunities for the common benefit of all.

Chief Minister of Sindh Called 'Failure'

46000135 Peshawar *THE FRONTIER POST* in English
17 Apr 89 p 4

[Text] The ethnic divide in Sindh has assumed a new seriousness following the April 6 massacre of 12 people in Hyderabad. In little over a week, most cities and towns in Sindh have been transformed into new epicentres of violence. The catalogue of violence is bone-chilling indeed: April 9 saw the Jeeay-i-Sindh activists firing on three students, the next day there was a rumpus in the Sindh Assembly with members of two alliance partners trading accusations and threats, April 13 was marred with the killing of three members of a family in Larkana. The same day witnessed a wave of protest

throughout the province against the April 6 killings. This time around, the nationalists are caught in a paroxysm of vendetta. As an aftermath of events of the last nine odd days, the situation in Karachi and Hyderabad has again swung back to a highly explosive state. The army and other law enforcing agencies are manning the machine-gun mounted trucks and jeeps. Somewhere, for sure, the bomb is ticking away.

As the gulf between the Sindhis and new Sindhis is widening further (read the statements of both nationalists and MQM [Muhajir Qaumi Movement] in case you have a strong heart) the Federal Government in general and the provincial government in particular appear to be miles away from the solution to the crisis. The Prime Minister's recent decision to increase the number of policemen and rangers in Karachi is indicative of the fact that her Government is also quite susceptible to the idea of leaving most things at the door of the bureaucracy. There is a tremendous fallacy in this belief if one were to take into account the actual situation. Simply banking on an effective law and order outfit is hardly enough. What, in fact most people urged the Government to do, has still not been done. The Sindh government rests on a coalition of parties which represent the majority of the rural and urban population. The Government was expected to work out a strategy involving representatives from both sides, to try to repair the cleavage. That such a strategy did not exist was borne out by the shameless rumblings in the Sindh Assembly. When elected members, who are part of the same government, jump at each other's throats on the floor of the august House, what could one expect from the ordinary prejudice-driven lads. Wouldn't they go for the guns?

Again, it is now being felt that the Chief Minister of the province has proved himself a failure. It would be unwise to persist with him and there is little wisdom in waiting for another orgy of killings to prompt his ouster. The magnitude of the crisis requires a man of iron nerves and superb powers of persuasion.

Meanwhile, the Prime Minister ought to figure much more prominently in efforts to reconcile the warring parties. Both Muhajirs and native Sindhis, particularly their firebrand leaders, should be told that their survival lies in co-existence. The problem of mass unemployment is weighing down both communities. It is also imperative to bring home to Sindhis that they are not being reduced to a minority in their own province and that Karachi could not become another Hong Kong. In the event of a show down, both communities would go under. This is the plain truth. Some demystification on both sides had better begin now.

'New Economic Order' Seen as Solution

46000135 Peshawar *THE FRONTIER POST* in English
18 Apr 89 p 4

[Text] Our ethnic problems are of such a nature that, as things are, they defy any solution that can be devised by any party or leader. Ethnic conflicts have surfaced in all

countries and violence, or the state suppression of one or other ethnic group, has never been able to solve the problem. The old barbarous solution of the extermination or victimisation of the weaker ethnic group by the stronger one cannot be resorted to in today's world where the whole world is concerned about human rights and even the smallest ethnic conflict tends to become internationalised. The ethnic leaders of our land are trying to use the futile ancient methods in today's situation and failing miserably in coming anywhere near a solution.

The basic solution of the problem rests with the more equitable distribution of the wealth of our country and the just treatment of all ethnic groups in regards to economic opportunities and the provision of basic necessities to all ethnic groups. The fact is, that today Pakistan cannot provide the bare necessities of life to all its citizens and hence ethnic grouping is resorted to in order to fight tooth and nail for a greater share in the economic pie. This very attempt obstructs development and makes it more and more difficult to provide employment to all the youth of the land.

The urgent need now is for leaders of all ethnic groups to put their heads together and, putting away their guns, sit down to find solutions for their problems in a rational way. Two essentials must be seriously considered. One is the building up of a new economic order which is more just and where the glaring disparities are reduced to manageable proportions, and secondly, economic development which builds up basic key industries and at the same time encourages small scale industries. In this way, employment opportunities will increase and all men with skill or the spirit of enterprise will be able to employ themselves as well as a few others to manufacture goods and provide services to the nation. The ethnic war must cease and passions must be cooled by wise leadership and serious efforts made to understand the root causes of ethnic hatred. Mere police methods have always failed and will continue to fail. This is a political problem and demands a political solution.

Strife Termed 'Ethnic Civil War'

46000135 Peshawar *THE FRONTIER POST* in English
22 Apr 89 p 3

[Text] No one in a responsible position seems to be paying enough attention to the alarming rate at which ethnic hatred is increasing and at the resulting escalation of ethnic civil war which can end only in a horrendous catastrophe. We cannot dismiss the situation in Sindh and content ourselves with the stupidity of appointment of blame on this or that person, community or the authorities. One must have the courage to recognise the hard facts related to the present unhappy state of Sindh society. The first is that no other province in Pakistan is inhabited by such a mixed ethnic society formed in recent years because of a number of factors now part of history. The Punjab also received, perhaps, the largest number of genuine refugees. But most of them were of

the other part of the largest number of genuine refugees of the divided province of the Punjab and hence they replaced the department with non-Muslim refugees and the ethnic and cultural homogeneity of the Punjab was undisturbed. The NWFP [North-West Frontier Province] retained its Pushtoon character even if it absorbed a few non-Pushtoons from India. Baluchistan, likewise, had its own ethnic problems but these were not the direct result of the turmoil of partition, nor was it of a nature to seriously disturb the ethnic composition of the province. Sindh, on the other hand, received a few genuine refugees from across the borders, and a fairly large number of refugees from areas beyond the Punjab, where Hindus and Sikhs from the Punjab who has settled and who threatened the peaceful existence of local Muslims, who fled to Pakistan and gravitated to Karachi and the Sindh cities.

After partition, Sind also received a host of capitalists from India mainly from Bombay and as far as from Madras who could by no means be described as refugees, because they were affluent businessmen who came to Pakistan to develop, through the patronage of bureaucracy. These capitalists found Karachi a paradise for the easy development of stream of the educated middle classes from all parts of India who can by no stretch of the meaning of the word be called refugees, but who were never checked. They came to Pakistan as conquerors and rulers, treating the local population as second rate citizens. It was this new class of visitors from India, who settled in Karachi and without difficulty acquired Pakistani nationality.

It is a gross misuse of the word to call all such people refugees and even after 40 years of becoming the virtual masters of a greater portion of the wealth of the land which gave them shelter, they still call themselves *muhajirs*. The possibilities of making fortunes in Karachi attracted people from all over the country, as labourers, investors, traders, crooks of all kinds, drug dealers, and all those engaged in the black underground economy. The present ethnic warfare is the result of this ethnic mix up and the resulting violence has to, in this background of history and the problems that arise now, must be tackled by a bold recognition of many unpleasant facts. The Sindhi point of view must be considered with sympathy and understanding of its origin. Sindhis have been most hospitable to its refugees but has resented the refusal of the refugees to assimilate Sindhi culture, but on the contrary attempting to thrust their own language and culture on the Sindhis. Their accommodating spirit in the past has done great damage to their own cultural identity and now they are aggressively ethnic to cultural identities of a variety of other people who after all is said and done are outsiders, attempting to wipe out the culture of the Sindhis and establishing on Sindhi soil their own culture and language. For over two decades, the Sindhis remained docile and quiet about this kind of imperialism against them but now they are rising in revolt against further attempts to reduce them to a minority in their own land. This sentiment is shared

by all classes of Sindhis and by Sindhis of all shades of political opinion. We will have to reckon with it and do justice to the Sindhis even when we consider the claims of people who at various times and for various reasons settled in Sindh from other parts of the sub-continent. Muslims coming from India after the late fifties can by no means be described as refugees and it is this resistance that lies at the bottom of most of the ethnic hatred directed against the Urdu speaking population of Sindh.

Politicians Said Uninterested in Sindh's Crisis
46000135 Peshawar *THE FRONTIER POST in English*
21 Apr 89 p 4

[Text] The situation in Sindh is now deteriorating by the hour. the elements of Jeeay Sindh are on a rampage. They cut down five innocent persons and caused grievous injuries to at least 30 others in Nawabshah on Wednesday. The Army and other law enforcing agencies are having a tough time in preventing what has now become a daily mayhem. The murderers defy the curfew and spray bullets on non-Sindhis. The exodus of Muhajirs is already on as the nationalist elements are whipping up the worse kind of hatred against non-Sindhis. The victims in Nawabshah were eminently Punjabis.

Ever since the massacre of 12 persons in Hyderabad on April 6, the province of Sindh has witnessed a macabre regularity of killings. The so-called outsiders are on the run for their lives. Apparently, the system put into place

by the Government to deal with this situation is extremely fragile. The MQM leader is in Hyderabad these days in an obvious bid to reorganise his flanks. He spoke, the other day, of a conspiracy to break up the country through the division of Sindh into two halves.

Ironically, the political forces of the country have still not expressed any willingness to seek a solution to the crisis. Despite the Prime Minister's urging the Sindhi MPA [Member of Provincial Assembly]s to go back to their constituencies in order to restrain people from killing each other, they are found either in Islamabad, or jockeying to go abroad for errands involving pleasures and pastimes. The Sindh Chief Minister, like we said earlier, has outlived his usefulness. It is doubly sad that while people are dying by the dozens in Sindh, the rest of the country is bogged down with political trivialities. At this critical juncture, the nation can hardly afford to sit back and watch the events in Sindh overtaking everything else. The Prime Minister would now have to move fast and certainly go beyond the calls to her MPAs and Chief Minister. She had better stick to Sindh for as long as the situation demands. The elements of Jeeay Sindh must be pushed back to the political oblivion from where the former dictator, Zia-ul-Haq resurrected them. This, indeed, was one of his most unpardonable sins. It is not easy to control the demons created by the long period of authoritarian rule. The MQM [Muhajir Qaumi Movement] is also headed for rough waters. Its leadership so far has failed to persuade Muhajirs to stay back in interior Sindh.

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